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EXTRAORDINARY

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PART I—Section 1

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PUBLISHED BY AUTHORITY

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इस भाग में भिन्न पृष्ठ संख्या दी जाती है जिससे कि यह अलग संकलन के रूप में रखा जा सके ।

Separate paging is given to this Part in order that it may be filed  
as a separate compilation.

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MINISTRY OF PETROLEUM & CHEMICALS AND MINES & METALS

(Department of Mines and Metals)

RESOLUTION

*New Delhi, the 29th July 1969*

No. C2-20(6)/68.—By its Resolution No. C2-8(7)/67 dated 22nd July, 1967 the Government of India in the Ministry of Steel, Mines and Metals (Department of Mines and Metals) appointed a committee under the Chairmanship of Shri G. R. Kamat to make a comprehensive review of the performance of the National Coal Development Corporation Ltd., Ranchi and to suggest remedial measures for removal of deficiencies which may affect the overall and detailed performance of the various units of the Corporation. The Committee was asked to identify and assess deficiencies, ascertained the causes thereof and indicate what improvement should be made in the working of the Corporation to bring about efficient performance and to gear up the organisation to take up additional responsibilities in future. The Committee was also requested by letter No. C3-10(6)/68 dated 18th May, 1968 of the Department of Mines and Metals to look into the matters referred to by the Public Undertakings Committee of Parliament in its Tenth Report to Lok Sabha. It was desired in particular that the Committee might suggest remedial measures to overcome the deficiencies brought out by the Public Undertakings Committee.

2. The first report of the Committee was submitted to the Government on the 17th February, 1968 and the final report on 19th August, 1968. The first report dealt with certain organisational matters which in its opinion required to be attended to urgently. In its final report, the Committee has made a detailed analysis of the various aspects of the working of the National Coal Development Corporation.

The Committee has dealt in detail with the problems of project planning and implementation, the capital investment programmes in coal mining projects, the current problems of production, sales and transport, coking coal projects, washeries, the need to devote attention to proper maintenance of plant and machinery and administrative organisation. The Committee also made a comprehensive assessment of the financial results and industrial relations. Further, the Committee has looked into certain specific cases of complaints of mal-practices and irregularities brought to its notice.

Government have carefully examined the recommendations of the Committee made in its first and final reports and have generally accepted them for implementation. The conclusions and recommendations of the Committee and decisions of Government thereon are set out in the Annexure. Further necessary action is being taken in respect of the specific cases of complaints of malpractices and irregularities examined by the Committee.

The Government of India wish to express their appreciation of the work of the Chairman and Members of the Committee in dealing with the matters referred to them.

#### ORDER

Ordered that a copy of the Resolution be communicated to all concerned.

Ordered also that the Resolution be published in the Gazette of India Extraordinary for general information.

CONCLUSIONS/RECOMMENDATIONS OF THE NATIONAL COAL DEVELOPMENT CORPORATION COMMITTEE  
AND GOVERNMENT'S DECISION THEREON  
(FIRST REPORT)

| S. No.<br>(1) | Recommendation/Conclusion of the Committee<br>(2)   | Decision of the Government<br>(3)  |
|---------------|---|--|
| 1             | For the Third Five Year Plan, the target for National Coal Development Corporation was 31.0 million tonnes out of a total production target for the coal industry of 98.5 million tonnes. This target appears, in retrospect, to have been based on questionable assumptions.   | The Third Plan coal targets were finalised after taking into account the estimated demand of the consuming industries particularly Railways, Steel Plants, Power Houses etc. Since the demand of the consuming sectors did not increase as originally envisaged, there was no need to increase the production of coal according to the plan targets, though excess capacity has been built up both in the private and public sectors. The NCDC is accordingly not taking up any new projects and has suspended work on several projects taken up previously on the basis of the higher target. The NCDC is progressively utilising the built-in capacity in the existing projects and concentrating on projects under development. |
| 2             | It was with a view to fulfilling the high Plan targets that the National Coal Development Corporation embarked on and expensive programme for acquiring machinery and Man-power and for the development of mines in several areas, particularly in the outlying areas of Madhya Pradesh, Orissa and Maharashtra. Some of the present difficulties of National Coal Development Corporation are due to the magnitude of the development and the speed with which it was undertaken. Large and expensive projects which the NCDC had undertaken have led to investments in capital assets which are not presently needed for the current level of production. |  |
| 3             | In the process of development with speed and since 1964 of retrenchment and readjustments, several organisational weaknesses had not received adequate attention and stresses and strain have appeared affecting all aspects of working of NCDC.  | Noted.   |
| 4             | It is likely that after some years, provided the economy picks up at the rate which is essential for the country's industrial growth, the NCDC could become the mainstay for meeting the increased demand in the country. The immediate problems before the National Coal Development Corporation are—<br>(a) to build up sales in a competitive market ;<br>(b) to remove organisational and other weaknesses; and<br>(c) to economise on the method of production.  | Noted.   |
| 5             | For reorganising the NCDC's sales offices and sales procedure, the following steps should be taken immediately:<br>(a) The Corporation should undertake the survey of the market, current and prospective for each of its mines;<br>(b) It should then establish close contacts with its principal prospective customers and wherever possible enter into long-term contracts with them;  | The recommendations are generally acceptable. Details of action taken have been given against the relevant recommendations of the final report.  |

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- (c) The Corporation should guarantee continuity of supplies;
- (d) Quality should be rigidly adhered to. A system of inspection at the time of loading and surprise checks at the destination in the case of large consumers should be introduced to ensure standards;
- (e) Prices should be competitive and related to the quality of supplies. Reduction and rebate should be provided to large consumers for sales in excess of guaranteed minimum and also for prompt payment;
- (f) As a public sector undertaking, NCDCL has the special responsibility of developing expanding markets, particularly in the rural areas;
- (g) As far as possible, sales to public enterprises and even to large private sector enterprises should be made direct and not through middleman. The middleman's services could, however, be utilised for developing the markets fully and for exploring new markets. The appointment of such middlemen as agents for sales should be made after careful selection with due regard to their financial status and capacity to expand the market in the particular area. Their functions and liabilities should be clearly defined and their obligations enforced;
- (h) There should be closer liaison at working levels between the area officers and collieries on one hand and the sales department on the other;
- (i) The billing system should be speeded up. Bills can be prepared daily and for each consignment and sent direct by the collieries or Area Accounts Offices to the consignees keeping the central sales office informed for the purpose of watching the recoveries. Interest should be charged on over-  
ues.

- 6 The Railways may examine the procedures for the allotment and supply of wagons in the context of the situation prevailing after decontrol with a view to simplifying them and removing over-centralisation. With a little adjustment it should be possible to ensure that there is regularity in the supply of wagons and punctuality in their arrival at the colliery. There should also be a proper arrangement for liaison between the NCDC and the Railways at various levels.

The Railways have already simplified to some extent the procedure for allotment and supply of wagons for coal. They have also decided to hold periodic meetings at Calcutta with NCDC representatives. NCDC has also recently obtained the services of a Railway Officer for liaison work with the Railways in these and other matters.

- 7 Each mine should prepare cost data reflecting the actual expenditure and showing separately the direct costs which vary with production and the over-head and fixed cost. The cost data should be capable of identifying cost elements which are within the control of the local managers. Stores accounts should be brought up-to-date and the financial and cost accounts reconciled.

General instruction has been issued by Government in this regard to all public undertakings. NCDC already has arrangements for cost accounting in each unit.

Services of persons trained in industrial Engineering should also be employed for bringing about higher productivity and lower costs.

NCDC has a trained Industrial Engineer and the question of strengthening the Industrial Engineering Section is being considered.

On the basis of the cost data, the Headquarters of the NCDC should draw up an annual plan of production which would give optimum trading position. Sales efforts and production efforts should be concentrated on those collieries where there is large margin between sales realisation and production cost or at least the variable element in it. In collieries where the economics are unfavourable, the NCDC may even consider suspending production or abandoning them.

Annual production plan to give optimum trading position has been drawn up by NCDC for the current year and a similar plan has been worked out for the next year as advised by the Committee.

- 8 In order to ensure smooth and regular supply of plant, equipment, stores and spare parts, the following measures are suggested:
- (a) The indenting procedure should be simplified. In this respect we recommend that posts of Controller of Stores and Controller of Purchase be combined;
  - (b) To the maximum extent possible, rate contracts for each important store should be arranged with more than one supplier;
  - (c) The Corporation should take special measures to ensure full utilisation of the manufacturing and repairing capacity which it has at its command in its workshops.

The recommendation is accepted. The Board of Directors of NCDC has already approved the proposal for combining the posts of Controller of Stores and Chief Purchase Officer. A Committee on Stores set up by the Bureau of Public Enterprises has gone into the question of materials management problem of the NCDC. The recommendations of this Committee, when available, would also be taken into account.

- 9 In all the areas, stores valuation accounts have not been kept up-to-date. This lacuna is believed to be responsible for the non-reconciliation of cost accounts with financial accounts as well as for "the exhibition of large quantities of "Stores in transit" in the annual balance sheet. The stores accounts should be brought up-to-date as from some pre-determined date. If this is done, it should be possible to provide not only the monthly reconciliation of the costs and the financial accounts but also to present the monthly balance sheet for each area and each accounting unit.

As the transactions in the areas are large, the use of imprest accounts system does not appear to be appropriate. The area accounts office could be required to produce complete accounts monthly, quarterly and annually.

The Internal Audit Section requires to be strengthened urgently both in number and quality. It can then be given specific problems for study and asked to locate wastes and loopholes if any. While the accounts are decentralized and become parts of the area offices, the internal audit should be the responsibility of the management at the Head quarters.

- 10 Some of the measures needed for infusing a sense of discipline and toning up of the administration are indicated below: Accepted.
- (a) The duties and functions of each officer should be defined clearly;
  - (b) The present compartmental approach of officers in different branches should be given up; and
  - (c) The administrative procedures should provide for incentive for good work and speedy penalty for lapses.
- 11 The system of nominating a Board of Directors comprised mainly of officials of interested Ministries and organisations has resulted in break of continuity and insufficient interest by Directors in the work of the Corporation, and a virtual abdication of the powers by the Board. While the Board in which the powers were formally and legally vested remained inactive, the effective power was in the Deptt. of Mines and Metals and the Managing Director.

Steps have been taken by the Corporation for bringing the stores accounts up to date. Orders have also been issued for restricting payment through imprest wherever possible.

Government generally agree with the Committee's approach in regard to demarcation of duties and functions between the Government and the Corporation. Functional Directors of Finance Technical and Administration have already been appointed.

The Committee feels that the balance of power should be restored and the powers and responsibilities of the Central Government, the Board of Directors and the Managing Director defined.

- 12 The areas of responsibility of the Government and the Board of Directors as envisaged in the Articles of Association of the Company should be reaffirmed. The Central Government should concern itself mainly with the affairs of the Corporation in regard to the development plans. The Government may also lay down codes of conduct for labour relations, trading practices etc. which may be common to all public undertakings. All other matters such as co-ordination with other Government Agencies (e.g. Hindustan Steel, Electricity Undertakings), pricing policy etc., should be left to the Board of Directors and the management of the Corporation. In particular all matters relating to revenue collieries should be finally disposed of by the Board of Directors and under its supervision and guidance by the Managing Director and the top management. In respect of these collieries, the Central Government should, however, receive a performance budget before the beginning of the financial year and periodic progress reports, financial and physical. Where the Central Government intervenes with its powers of issue of directive, in public interest, the concomitant financial impact should be met from Government revenues. The Corporation's balance sheet should not be saddled with the burden of the resulting losses.
- Government generally agree with the Committee's approach.
- It has been decided that the Corporation should prepare a performance budget for each year.
- The question whether the financial impact of any directive issued by Government to Corporation should be met from Government revenues has wide implications and the final decision may depend upon the facts and circumstances of each case.
- 13 In regard to the development projects, the Government should require NCDC to prepare project reports after detailed surveys and studies. These project reports should contain justification for taking up the project, expected financial results, way in which the mine is to be developed, details of equipment required etc.
- Accepted.
- 14 In the present context of demand, NCDC need not undertake any new projects for some years except to cater to the needs of a specific consumer. Since large coal consuming projects like steel plants and power houses take several years for being commissioned, NCDC need plan new mines only at the same time as the consuming projects. Detailed planning, even if it is time consuming should precede the development work as it would lead to reduction in the construction time and economy in cost.
- The Committee's observations will be kept in mind while examining proposals for new coal mining projects.



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| 15  | At the time of preparation of a new project itself, the planning authorities should indicate fairly clearly as to the stage at which the projects should be brought on to the revenue account. The situation thereafter could be reviewed by a group of technical and financial officials at the Headquarters in consultation with the Area General Manager and the Project Officer. The group would advise as to the date from which the project should be brought on to the revenue account. The Corporation's decision in the matter could also be subject to the approval of the Government of India.                                 | The recommendation is accepted. However, it is not considered necessary that the decision regarding the date from which the project should be brought on to the revenue account should be subject to the approval of the Government of India as the Corporation is competent to decide this question.   |
| 16  | The Corporation should maintain a separate depreciation fund for meeting the expenditure on major maintenance and replacement of machinery instead of the present practice of adjusting the depreciation provision in the annual capital budget. It would be in the interests of the Corporation as well as in accordance with best business practice if the Central Government were to meet the entire cash requirements for all the capital development schemes leaving its internal resources to be used for working capital, replacement needs or if any surplus is still available, for investment in Central Government securities. | The practice adopted by the NCDC in regard to the adjustment of the depreciation provision was in line with the general Government policy on the subject and any unilateral action on the part of the enterprise to change the practice was no desirable. Further, this problem formed part of a much wider issue in regard to the rationalisation of the capital structure of the enterprise and would have to be considered on an integrated basis. An Accounts Committee has already been set up by the Corporation with a representative of the Bureau of Public Enterprises as a member to look into the various problems and its report would have to be awaited before the decisions of the Govt. in regard to this recommendation could be announced. |
| 17  | The Chairman of the Board of Directors may be whole-time or part-time, but when a part time Chairman is appointed, care should be taken to see that he is in a position to devote a great deal of his time and interest to the work of the Corporation, and provide adequate guidance to the Managing Director. In particular, the Chairman should be required to assume high level public relations duties.  | Accepted. A whole-time Chairman-cum-Managing Director has been appointed.   |
| 18  | Other whole-time Directors should be appointed in consultation with the Chairman and Managing Director, one for finance, one for Technical matters and one for Administrative matters.  | Accepted. Posts of Technical Director, Director of Finance and Director of Administration have been created and filled up.  |
| 19  | The whole-time Directors should work as a team and while the Managing Director will have over-riding powers, the decisions should ordinarily be reached through consultations and discussion. Working procedures should be specially evolved to ensure this in approach.  | Accepted. In NCDC, the Chairman-cum-Managing Director is the Chief Executive of the Corporation and the Board of Directors have delegated to him all necessary authority. It is felt that with this existing arrangement the Chairman-cum-Managing Director should be able to take final decisions as necessary for carrying out business of the Corporation.   |



- 20 Besides the Chairman and the whole-time Directors, and in addition to 3 or 4 part-time Directors, one representative each of the Ministry of Steel, Mines and Metals and the Ministry of Finance and a person with knowledge and experience of trade union matters should be nominated to the Board. The Committee does not consider it necessary for other Ministries of the Government of India or public undertakings like, Hindustan Steel Limited, Mining and Allied Machinery Corporation etc. to be represented on the Board. Accepted.
- 21 In order to enable the part-time Directors to make an effective contribution to the work of the Corporation, their appointments should be renewed as necessary so that each incumbent holds the position for not less than 3 continuous years and possibly even 45 continuous years. The whole-time Directors should be appointed for a minimum period of 5 years which could be extended as necessary. Accepted in principle.
- 22 The Committee fully endorses the extent of delegation of powers at present made to the Managing Director. In the exercise of these powers he would have full authority to over-rule the other functional directors. Accepted.
- 23 To enable the Board of Directors to function properly, they should prescribe a number of returns and reports which should be brought to the meetings periodically. Accepted.
- 24 The Committee suggests that sufficient powers be redelegated to the heads and officials of various departments at Headquarters so as to relieve the Managing Director of routine and unimportant work. Accepted ; NCDC is taking action in this regard
- 25 Ordinarily the Managing Director should not be in charge of any specific Department. However, for some time to come, sales and sales promotion will have to be specifically looked after by him. The Sales Manager will work directly under him. Accepted.
- 26 The Technical Director should be in-charge of all technical departments and have under him a Chief Engineer (Production) responsible for the planning of production and operation of revenue collieries, a Chief Engineer (Planning) responsible for all matters connected with development projects, Chief Engineer (Electrical and Mechanical), Geologist and Civil Engineers. Accepted.

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| 27 The Finance Director should be in-charge of Internal Audit, Accounts, and Financial Advice. The Internal Audit should be strengthened early and asked to undertake studies of comparative unit costs etc. The Chief cost Accounts Officer should co-ordinate the cost data, provide technical guidance and bring to the notice of the management, matters arising out of the cost data that require their attention. | Accepted in principle.   |     |
| 28 The Area General Managers should be empowered to over-rule their Financial Advisers where they consider it necessary to do so in the interest of production and progress of development projects. They should, however, be required to record their reasons and to report the matter to the Headquarters immediately thereafter.   | Accepted.  |     |
| 29 The Director-in-charge of Administration should have under him a Chief of Administration and a Chief Personnel Officer. He should also be in-charge of Stores and Purchase and miscellaneous departments like Security, Medical, Legal and Public Relations. Vigilance should remain with the Managing Director.   | It is considered expedient that the Director of Administration may look after Vigilance also. Subject to this observation, the recommendation is accepted.   |     |
| 30 The whole-time Directors should be carefully selected and if necessary higher salaries may be given for attracting suitable persons.   | Accepted   |     |
| 31 In the present organisational chart, the Area General Managers are shown as subordinate to and under the control of the Director of Production. It would be more appropriate to show them as under the control of the Managing Director and the Headquarters management group.   | Accepted.  |     |
| 32 Greater attention should be paid to ensure that all the top posts are properly staffed and not left vacant.  | Accepted.  |     |
| 33 The procedure for sanctioning the top posts and filling them up has to be speeded up and if necessary, the Department of Mines and Metals could seek delegation of necessary powers for the purpose.   | Government have always accepted that there should not be any management gap in the public enterprises. The procedure introduced recently viz reporting of vacancies, sending of sub-panels by the Bureau of Public Enterprises etc., should improve the position in this regard. Every effort will be made to speed up the procedure for filling up the top posts. |     |
| 34 Duties and responsibilities of each official in the Headquarters office should be properly defined and well understood by each person working in it.   | Accepted.  |     |

*Conclusions/Recommendations of the NCDC Committee and Government's Decisions Thereon*

(SECOND AND FINAL REPORT)

| Serial No. | Recommendation/Conclusion of the Committee  | Decision of the Government |
|------------|---|----------------------------|
| (1)        | (2)   | (3)                        |
| 1          | There was no firm and settled programme of Second Plan Development of collieries and during the Plan period, changes and departures were made in what might have been drawn up as an initial list of projects.  | No comments.               |
| 2          | The steep shortfall in the expected demand during the Third Plan has caused serious difficulties to the coal industry, especially to those units which had undertaken significant investments on expansion programmes and to the NCDC which had undertaken a particularly large programme of investments.   | No comments.               |
| 3          | The production capacity already developed is about 14.4 million tonnes and that now being developed 7.7 million tonnes, giving for all the underground and opencast mines of the Second and the Third Five Year Plans, an aggregate potential capacity of the order of 22 million tonnes. These figures do not take into account the development of 7 mines which were suspended in 1964 and which had a production target of 6 million tonnes. | No comments.               |
| 4          | That actual production is considerably less than the productive capacity which the NCDC sought to develop, provides one of the important reasons for the relatively poor performance of the Corporation in financial terms.   | No comments.               |
| 5          | It should not be assumed that taking over of 11 old State collieries was of particular advantage to the NCDC in its task of rapid development of production from new mines.   | No comments.               |
| 6          | The programme for the Fourth Five Year Plan is yet to be drawn up, but it looks possible that in the non-coking coal sector it may not be necessary to undertake any new projects. It is still not clear whether any further development work needs to be undertaken by the NCDC for coking coal in the next few years.   | No comments.               |

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| <p>7 In so many projects of the NCDC the grade of coal has been found to be inferior to what it was assumed to be on the basis of prospecting and borehole data. This was the case even in respect of some shallow seams of opencast mines. It would be useful to examine whether this was due to any defect in the collection of the data or in its interpretation so that similar defects are not repeated in future projects and further expansion and development of existing projects. We recommend that the NCDC should take up such an investigation as soon as possible.</p> <p>8 There was inadequacy of data relating to the quantity of reserves and the underground geological conditions.</p> <p>9 For opencast mines, adequate attention was not paid to standardising the equipment in use. One effect of this non-standardisation is the difficulty that is now found to be acute in the maintenance of a wide variety of plant and machinery which were purchased at different times from different sources. Non-standardisation has also meant holding larger inventories of spare parts.</p> <p>10 The completion of the projects was delayed owing to factors which could have been foreseen with adequate planning. With these delays, the costs, also mounted up and these have also adversely affected the cost of production. In retrospect, it can also be said that the mechanisation and the use of sophisticated plant and equipment was sought to be introduced without adequate preparatory work.</p> <p>11 For every project, there should be, at first, a Feasibility Report which in general terms indicates the economics of the project, market for its product, its essentiality in terms of the national objectives, outline of its main technical process, the facilities available for production in a particular location etc. The data given in the Feasibility Report should be adequate for obtaining administrative and financial sanction before the work is started. The Feasibility Report is to be followed by a detailed project report in which the actual working plan of the project is laid down in detail. The detailed project report should also indicate the phasing of the project so as to give the best results. It will be desirable to consult</p> |     | <p>A Committee consisting of Chief Mining Engineer (Headquarters), Dy. Chief (Geology and Drilling), and Coal Technologist has been constituted by the Corporation to investigate at the earliest. Suitable action will be taken in the light of the report of the committee.</p> <p>Do.</p> <p>It might be mentioned that the equipment was initially obtained under various collaborations/aid agreements with different countries. The Heavy Engineering Corporation has made a beginning with manufacture of electric shovels needed by the Corporation but heavy dumpers and blast hole drills for coal mining purposes are still not being produced indigenously. NCDC will progressively standardise the heavy earth-moving machinery need for opencast mines as facilities for indigenous manufacture develop.</p> <p>The time allowed to the Corporation for investigation, planning and completion of projects in both the 2nd and 3rd Plan periods was extremely limited. It might be mentioned that some of the projects were deliberately slowed down towards the end of the 3rd Plan as the demand for coal did not rise as anticipated earlier.</p> <p>Accepted. The Bureau of Public enterprises and the Planning Commission have already emphasised the importance of feasibility reports and the details that these reports should contain for enabling Government to decide whether to proceed with the project or not.</p> <p>The Mines Safety Department and the Coal Board are even now consulted before-hand about the mining method proposed to be adopted for the project</p> |

beforehand the Mines Safety Department and the Coal Board as to the mining methods proposed to be adopted for the project.

- 12 Currently, the Kathara quarry has a serious problem of marketing its coal. Contrary to the expectation based on the geological data, the coal as quarried is found to have certain admixtures and is not better than grade II. This is inter-connected with Serial No. 7 and the committee appointed to go into that matter will also look into this.
- 13 Besides the limiting of factor marketing and transport, Kathara is glaring example of a large volume of earthmoving machinery remaining out of commission for want of repairs and spare parts for long periods. If the colliery is to step up its production it is essential that all this machinery should be reconditioned and put back into service. Necessary action has been taken to repair and recondition the equipment that had gone out of commission, and a large part has already been repaired, and put back into service.
- 14 The working of the seam at Kathara has been restricted to the top 20 ft. the facility of the back-filling is presently not available. Therefore, the overburden is now being carried over long distances and steep gradients. This could be one reason for large sickness of dumpers. In the absence of back-filling method, the cost of removal of over-burden is also high. It is proposed to introduce the back-filling method with the commissioning of the Kathara Washery when the lower section of the seam will also be worked.
- 15 While purchases of machinery etc. were made to provide for targeted production, the Corporation would have been well advised to release to Kathara Project only as much equipment as was needed to maintain production at the current level. The principle enunciated here is sound, and has been generally followed by the Corporation.
- 16 In the absence of the permanent coal handling plant, departmental picking and selection could not be undertaken. The cost of loading with the help of contractors is as much as Rs. 2.51 per tonne whereas departmental handling with a permanent loading plant would not have cost more than 65 paise per tonne. The difference is large enough to reach the conclusion that even if the permanent coal handling plant at the cost of Rs. 24 lakhs had been installed as indicated in the first Project Report, the capital cost would have been more than recouped from the savings that might have occurred on the present method of loading coal with the help of contractor. It is to be appreciated that when the decision was taken not to construct the coal handling plant it could not have been envisaged that the commissioning of the washery would be delayed by another four years. A permanent coal handling plant might have been a heavy liability if Railways had suspended orders or NCDC incurred heavy demurrages as at Karanpura. By resorting to Contract System of loading, the Corporation has saved considerable sums of money during the interim period.
- 17 The case of Kathara Project illustrates many of the features which are found in a number of other NCDC collieries. Firstly, the difference between the geological data on which the project is based and the actual strata as found from working conditions has considerably affected the sales and production from the project. Secondly, the project was developed without sufficient regard to As recommended by the Committee elsewhere in the report, an expert committee has been appointed to go more closely into the causes of differences between the geological data as available at the time of preparation of the project report and the actual data found from working conditions.

(1) (2) (3)

the availability of market for the quality of coal expected to be produced—both steam and slack—and the transport facilities that were available. Subsequent experience in respect of the restrictions imposed on production by the factors of sales and transport has led to the adoption of working methods which did not provide for the best use of the men and machinery deployed on the project. Thirdly, maintenance arrangements for mechanised mines need considerably greater attention. There are indications that apart from the restrictions caused by foreign exchange difficulties and the non-availability of spare parts, the attention given to repairs and maintenance of the machinery in use, was neither prompt nor adequate.

The Committee's suggestion to attend to maintenance in mechanised mines is noted. Necessary measures are being taken to improve maintenance.

- 18 If Kathara washery is to produce at its optimum level it is necessary that the NCDC should now devote its attention well in advance of the completion of the washery to the marketing problems of washed coal and middlings.

The problem of marketing of washed coal and middlings to be produced by the Kathara and Sawang Washeries was taken up by the Corporation towards the end of 1967-68 with Hindustan Steel Ltd., and later discussed at Ranchi in July, 1968 at the instance of the Corporation at a joint meeting of Hindustan Steel Ltd. and NCDC representatives with the Minister of Steel, Mines and Metals. The matter is being pursued further.

- 19 In the aggregate the actual availability of equipment for the projects is less than what was indicated in the Project Report.

No Comments.

- 20 The performance of the equipment has in many cases been found to be of a much lower standard than what was expected in the Project Report. Even so, their performance could be improved a great deal, if attention was given to the improvement of working conditions and maintenance. For this purpose, each project officer should be encouraged and required to study the working of the machines, its potential and to consider measures which could help in getting maximum possible output from it both in terms of the time for which machines are employed and the output that could be secured from them.

Accepted. Necessary instructions have been issued.

- 21 Machines worth about Rs. 80 lakhs have been purchased which were not suitable for use in Indian conditions. Adequate caution does not seem to have been exercised in these purchases. Attempts made for the disposal of these machines have been tardy and inadequate.

These equipments were purchased after consultation with and on the recommendation of the best mining engineering talent available at the time within India and a Colombo Plan expert. The management has to be guided in these matters by the best available expert opinion. Steps are being taken to find use for the equipment and to dispose of such of those equipment which are not found to be suitable.

- 22 Considering the lack of expert knowledge on mechanised mining, it would have been an advantage to get a few technical experts from abroad to assist in ensuring the fullest possible use of the machinery. No comments.
- 23 We suggest that a small group of competent engineers should examine the problems at each colliery, determine the quantity of equipment which could be fully utilised at each colliery and make efforts to ensure that maintenance/repairs are undertaken quickly and completed promptly. As recommended, a committee under the Director (Technical) has been constituted to go into the matter.
- 24 We recommend that sustained effort should be made from now onwards to develop indigenous supplies and to reduce dependence on imported equipment and spare parts as early as possible. The Corporation has set up two central workshops, one at Barkakana in Bihar and another at Korba in Madhya Pradesh for repair and maintenance of its equipment, including manufacture of spare parts and components. About 1000 items of spare parts and components are thus already being manufactured in the Corporation in its own workshops. The range of such manufacture is being extended progressively. The Corporation is also maintaining close liaison with Mining and Allied Machinery Corporation and also private sector establishments which are interested in the development of manufacture of the spares and components needed by them.
- 25 From many a point of view, the decision to reach target of 13.5 million tonnes during the last quarter of 1960-61, merely to prove its capacity must be regarded as unbusiness-like and detrimental to the commercial and industrial interest of the Corporation. No comment.
- 26 The wisdom of providing all the accommodation for the staff and workers likely to be employed on a project right from the time of taking up the project is at least questionable and would require serious thought as to its necessity. This has reference to quarters built in outlying areas which have remained unoccupied. Noted.
- 27 Considering the variety of ways in which coal is mined, the different geological and other working conditions of each mine, the depth and the mineable reserves of the coal deposits, it is very difficult to lay down any standards for determining in specific terms the capital cost of a given quantum of production. Accepted.
- 28 The date from which the projects are to be put on revenue account, should first be projected in the project report itself and secondly, reviewed from time to time in the light of progress of and experience in each project. Accepted.



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| 29 We consider that for each developmental project there should be the fullest possible data made available for the purpose of planning, detailed working plan should be drawn and time schedule established for each major item of works and the Project Officer required to adhere to the working details in development programme.  | Accepted.  |     |
| 30 We are of the opinion that currently the planning Section at the headquarters is weak and needs to be strengthened and put in a position of effective control over the progress of developmental projects, in its administrative and financial aspects.   | The Technical Department of the Corporation is being reorganised with a view to strengthening the Planning Section as desired by the Committee. Certain steps have already been taken in this direction. |     |
| 1 We recommend that there should be one or more teams of technical experts made available to the Planning Section to go round to each project, consider the changes and the departures that had been made from the original project report, review the production potential in the light of probable sales and transport facilities available to the project, the method of working and the operational cost, set down the tasks for improving productivity and recast the project estimate in the light of all these considerations. Revised Project Reports so prepared would then become a suitable point of reference for ensuring managerial control on cost and project development. | As against col. 3 of S. No. 30.  |     |
| 32 More energetic attempts should be made to claim housing subsidy for miners' quarters from Coal Mines Welfare Fund and to realise the same.  | Noted. Steps are being taken to ensure full realisation of all arrear and current welfare subsidies due to the Corporation.  |     |
| 33 It would have been prudent for NCDC if the civil works like quarters had been staggered and developed on a phased programme along with the development of the production in the collieries.   | This policy is being followed strictly now.  |     |
| 34 It is important that in their specifications, buildings for a particular colliery should provide standards which would ensure that the life of buildings as constructed corresponds with the life of the colliery.  | Accepted.  |     |

- 35 Special teams to be set up by the NCDC should also examine whether and to what extent civil works at each of the projects are quantitatively and qualitatively in excess of the schedule of the projects. A Committee under the chairmanship of a senior Chief Mining Engineer has been set up to investigate into the matter.
- 36 A review should now be made as to whether the surplus equipment can be used and if it is not of any use either now or in the near future, then prompt action should be taken to dispose it off. A review was carried out earlier of new equipment in stock which was surplus to immediate requirements with a view to identify items needed by the Corporation for development projects in hand, and dead surpluses, and action taken for disposal of dead surpluses, preferably to other public sector units. The Corporation has also been reviewing from time to time used equipment in stock, with a view to identify dead surpluses. Various steps have been taken to push ahead the disposal of dead surplus items through sales to other public sector projects issue of tender notice, public auctions, etc.
- 37 Special teams to be set up by the NCDC should also consider the precise complement of plant and machinery which each project should have taking into account its current production and the production that it may be required to achieve in the immediate future. The teams should also examine the productivity of the machine, what it should be with the necessary servicing and maintenance, and determine the numbers required on that basis. This is connected with serial 23 and the same committee will also examine this.
- 38 The issue of new machinery to the project should be regulated strictly in accordance with the current needs of the project plus a small reserve. The remaining machinery of ordered and delivered should remain in stock at Central or Regional Stores. At their meetings held in May and July, 1968 the Board of Directors have laid down the principles and procedures for regulating the issue and transfer of new or additional machinery and equipment.
- Large and bulky equipment and machinery received for various projects which are under development have to be kept in the project stores instead of in Central or Regional Stores as it is inconvenient and wasteful to move such equipment from one place to another.
- 39 Another field for detailed investigation by the proposed team is to see how best maximum production can be obtained from the machinery deployed at each of the projects. This will be looked into by the committee referred to in comments on serials 23 and 37.
- 40 There is need to bring about a substantial reduction in the number of vehicles at the projects of NCDC. An ad hoc decision was taken a few years ago (1965) to replace only one, out of 2 vehicles in the projects which may need replacement on account of their being overaged etc. As desired by the Committee, a detailed examination is now being taken in hand of the existing number of vehicles and the number essentially required for the efficient working of various projects/establishments.

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| 41 A review should now be made for maintaining a minimum geological staff which is needed for surveys and such other work at collieries, in operation and development at present. Adding a small reserve of say 5 or 10 per cent to meet any unforeseen needs, the balance of the equipment should be disposed of and the surplus employees found employments elsewhere or retrenched.  | The requirement of geological drilling staff was reviewed some time ago, and steps have been taken for transfer of surplus trained personnel to the Geological Survey of India and other public sector organisations which need such personnel.  | Steps have also been taken for sale of surplus drilling equipment to the GSI, other mining projects in the public sector and State Governments. It is expected that most of the surplus drilling equipment will be disposed of before the close of this year. |
| 42 Specialised teams to be set up for investigation in each project, should ascertain separately the extent of capitalised losses and the extent to which any part of capital expenditure was infructuous, not representing productive assets.  | A Committee has been appointed with the Financial Controller as Chairman to investigate this, and submit its findings.   |   |
| 43 Return on investments has not been adequate, principally because, whereas the capital expenditure incurred on investments was determined by the targets of production potential which the NCDC undertook to achieve, the return is determined on the basis of actual production and sales. These have all along been found below the targets and even for below the production potential. To improve the financial return on capital investments, it is essential to reduce the gap between the production potential and the actual production. It is important that for some years, now NCDC devotes most of its attention to resolving problems of current production and in streamlining its organisation so as to achieve the optimum utilisation of its production potential at the lowest possible cost. | Accepted and being implemented.  |   |
| 44 The NCDC should be able to expand its market if it goes about systematically into the problems of sales, undertakes aggressive salesmanship among the consumers who are within the economic marketable area of each colliery and organise transport and production to meet the needs of each of these consumers both in terms of quality and price.  | In the main, the demand for coal depends on the requirements at any given point of time, of steel plants, power generating units, railways, and industries such as cement, paper, textiles etc. The scope for expanding markets by aggressive salesmanship is, therefore, in the nature of things limited. Vigorous efforts are being made to raise the level of orders on various collieries in different parts of the country, and these efforts have met with some success. |   |

An annual plan of production should be drawn up after taking into account all these various factors which determine the quantum of production; the plan would indicate to the NCDC as to where it should concentrate its attention as to the deployment of men, equipment and management techniques in getting the best results.

A detailed annual plan of production for each colliery/Area, and the Corporation as a whole was drawn up during January/February, 1968 for the financial year (1968-69). Advance plans have been drawn up also for 1969-70 and 1970-71. These plans are reviewed from time to time in the light of developments. It might be mentioned that the 1968-69 plan has worked satisfactorily, and it has not been found necessary to make any major changes in it during the first 6 months.

No comments.

- 46 In relation to the Third Plan targets of coal production, the shortfall in production and sales of NCDC was more pronounced than in the private sector collieries. This may be accounted for by a number of factors which have been analysed in the Report.

- 47(a) It has been stated that sales orders are ahead of production. In a number of cases, it has been found, however, that there are wide variations in the volume and proportion of sale orders as between slack and steam coal on month to month basis. Optimum production cannot be arranged unless sales of slack and steam from a colliery are in proportion to the production of slack and steam coal in the colliery concerned. Where sale orders for slack and steam are high in right proportion, and yet the production seriously lags behind sales, NCDC should enquire into such cases and consider measures for stepping up production.

The production performance of each revenue colliery over the last 3-4 years has been examined in close detail, and steps taken, as necessary, to stop up production for meeting the current and anticipated levels of demand.

- 47(b) It is essential to establish a close co-ordination between sales and production agencies at higher as well as lower levels.

Steps are being taken to build up closer coordination between the sales and production agencies at different levels.

- 48 In order to expand its market in future and to tackle with confidence the sales problems which may arise from time to time in different areas and in respect of different collieries, the NCDC should prepare itself at this stage in right earnest. It is essential to formulate a systematic approach to marketing and remove the deficiencies that inhibit the sale promotion activities. The task of organising the sales procedures should be undertaken on the lines indicated in detail in the First Report.

Noted.

- 49(a) The representatives of the Sales Department to be posted in some of the areas should look after the complaints of the consumers. If any joint inspection is called for at the destination, this should be arranged by these officers in collaboration with the collieries concerned without any loss of time and preferably within a week. There should be a system of fixing responsibility in cases of any inordinate delay. It is essential that the officers of the Sales department and of the collieries attending to the complaints should work in a spirit of harmony and cooperation.

Action is being taken to set up a few Regional/local offices of the Sales Department for sales promotion work, and for taking prompt action on complaint of customers.

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| 49(b) | In view of many past complaints, which have remained unresolved over a number of years, the NCDC may find it expedient to appoint a special officer at the Headquarters for a limited period to attend to them and settle them expeditiously. His experience of handling these complaints can also be availed of, in drawing up a regular procedure for a systematic examination of the complaints and their prompt settlement in future.  | A special officer has been appointed as suggested by the Committee to look into and resolve long-pending disputes and differences with Government Departments and other customers.  |
| 50    | As regards realisation of sale proceeds from the Govt. parties, while a large part of the dues is realised within 60 days, certain amounts remain outstanding beyond 60 or even 90 days. The NCDC should make its collection drive more vigorous and ensure that there are no inordinate delays in the recovery of dues from different parties.  | Noted. Sustained efforts are directed towards reducing outstanding as much as possible.   |
| 51    | Some disputes regarding deductions made by Government parties from coal bills have been pending for a number of years and concerted efforts do not appear to have been made by the NCDC to expedite settlement. This is hardly in conformity with the commercial practices and it is essential that vigorous efforts are made to arrive at reasonable settlements with the parties concerned.  | As mentioned in reply to recommendation No. 49(b) above, an Officer on Special Duty has been appointed to expedite settlement of all pending complaints and disputes and realise pending claims.  |
| 52(a) | As far as possible, coal supplies to Public undertakings and even to large private consumers should be made direct and not through the middlemen. There are, however, practical difficulties in achieving this ideal of doing direct business with all the Public Undertakings.  | The Corporation has been following this policy for several years past and further efforts are being made to establish as far as possible direct arrangements for some of the State Government Undertakings which are still obtaining their supplies through middlemen.  |
| 52(b) | The Committee on Public Undertakings (1967-68) have in their report of NCDC recommended that the Government should issue a directive that the Public undertakings should not make their purchases of coal through middlemen but direct from NCDC. However, there might be difficulties in issuing a Central directive to power houses most of which are in the State Sector. Such a directive would have a limited value. The NCDC should canvas its sales on the basis of its performance. After de-control, it is in a better position to provide financial incentives to Public Undertakings to take direct supplies of coal. Moreover, it should attend to their complaints and grievances promptly and effectively. | The Ministry have already addressed the State Govts. and the other Ministries of the Govts. of India to make purchases direct from the NCDC. The Corporation has also taken up the matter directly with the State Public undertakings as necessary. It might be mentioned that there are practical difficulties in offering large rebates or other financial incentives to public undertakings to take supplies of coal from NCDC either directly or through middlemen. The Corporation has, however, succeeded on the basis of its performance in securing substantial orders from many of the undertakings in the State Sector. |

53 In case certain Public Undertakings are not at all willing to take coal supplies except through middlemen, the NCDC should devise arrangements whereby it may receive direct payments from the Undertakings on the lines suggested in the Report. Although arrangements have been made for direct payment in one case, this is not generally acceptable to the middlemen. Such an arrangement also causes some difficulties where deductions etc. are made from the bills by the consumers for various reasons as it is ordinarily the responsibility of the middlemen to look after such matters.

54(a) While making concerted efforts to do direct business with Public Undertakings and large private sector enterprises, the NCDC should also seek to develop its market fully with the assistance of the middlemen who already have a considerable sales organisation around the country. However, it is necessary to make a review of the working of the system of sale of coal through middlemen and remove whatever deficiencies have developed in the system. This matter was considered by the Board of Directors in May, 1968, on the basis of recommendations of a Committee appointed by it, and also therecommendations contained in the first report of the NCDC Committee. It is proposed to review the working of the system from time to time, and make such adjustments as might be found necessary in the interest of the Corporation.

54(b) What has been wrong in the present sales procedure through middlemen is not that they are employed for obtaining business but that their functions and liabilities are not clearly defined except by what goes in the name of trade practices.

Any business concern and more particularly, a Govt. concern must reduce to writing all the terms and conditions of its sales rather than leave them to be inferred from trade practices. Such agreements should define precisely all the respective obligations of the NCDC as well as of the middlemen.

Middlemen were employed during the control period in terms of the Colliery Control Order 1945. A formal letter of consent is issued in respect of each order indicating terms and conditions of the sale. The Corporation is, however, considering the desirability of amplifying the term of the letter of consent with a view to incorporate terms and conditions of sales in fuller detail.

55(a) The effective credit period enjoyed by some of the middlemen gets considerably extended beyond the official credit period of 90 days due to (a) inordinate delays in the receipt of bills from the collieries (b) delays in the receipt of cheques from the middlemen and (c) delays in negotiating/encashment of cheques, particularly the out-station cheques. Noted.

55(b) It would have been in accordance with the good business practice to have conceded even a larger amount of commission or rebate than to have undertaken an uncertain liability by allowing the middlemen to make payments over extended periods of credit. The decision of NCDC to allow longer credit periods had a serious implication in so far as it afforded an opportunity to the middlemen to use the money of NCDC for their own use, may be for limited period, after receiving the sale proceeds from actual consumers. This was partly responsible for the problem of large outstandings against middlemen particularly M/s S. K. The Committee appointed by the Board of Directors of the Corporation under the Chairmanship of Shri A. B. Guha, formerly Adviser to Planning Commission, has recommended a rebate for payment within 45 days from the date of despatch of the bills and delegation of authority to the Sales Manager to allow extension upto a period of 90 days in consultation with the associated finance for good and sufficient reasons to be recorded in writing. It suggested further that the Managing Director should be authorised to waive the levy of interest on over-dues beyond 90 days.

After considering the above recommendations, and also the recommendations contained in the first report of the NCDC committee and the 10th Report



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Kahansons. It is necessary to cur down the period of credit to bring it close to the period during which the middlemen manage to realise dues from their customers. In our view the credit period should not exceed 15 to 20 days.

of the Committee on Public Undertakings (4th Lok Sabha) the Board of Directors decided at their meeting held on 3/4-5-1968 that the credit period should be normally between 45 and 90 days. The position will however, be reviewed by the Board in the light of the NCDC committee's recommendations and further decisions will be taken as necessary.

56(a) The NCDC should make a review of the present system of financial coverage provided by middlemen and take a clear decision as to the extent of business which can be allowed to different middlemen in relation to the Bank Guarantee/letter of credit. Decisions for different middlemen should be based more on the knowledge and experience of credit-worthiness of the parties concerned rather than only on the volume of orders given by the parties. Moreover, the NCDC should also examine how far the present form of Bank Guarantee is satisfactory both from legal and financial angles. In any case the Bank Guarantee should be renewed well in advance.

These matters require detailed consideration. The NCDC is taking necessary action. Final decision will be taken shortly.

56(b) While maintaining the system of Bank Guarantee or providing some such alternatives as insurance cover taken by the middlemen, the N.C.D.C. should examine the different situations and if necessary, it may make suitable adjustments in the rates of commission/rebates to neutralise its disadvantages and to offer better competition in coal market.

Do.

57 Of all the middlemen, the outstandings beyond credit period against M/s S. K. Kahansons have all along been the largest. There has been lack of prompt and resolute action on the part of NCDC on many points in dealing with this firm. From time to time, some decision were taken, but no effective action was taken to realise the dues, nor was the business with the firm reduced.

The firm has since raised the amount of its bank guarantee to Rs. 10 lakhs started payment against old overdues at the rate of Rs. 50,000 per month, and also offered immovable properties declared by them as unencumbered and valued at over Rs. 11 lakhs. The properties thus offered are being varified. The quantity of coal sold through this party has been reduced over the years and it is expected that with these measures the outstandings against this firm will be reduced gradually.

58 One of the factors which made the comparative position of the NCDC weak in dealing with the middlemen was its dependence on only a few middlemen for disposal of its output of slack coal. In order to provide greater safeguards in future, it is necessary that concerted efforts are made by NCDC to see that to the extent the sale of coal has to be arranged through middlemen,

It has to be appreciated that the choice of middlemen does not rest with the Corporation. The middlemen bring offers for purchase of coal from various customers. They also tender for making supplies against tender notices issued by various firms/state undertakings and request the Corporation to allow them to offer the required supplies from selected mines of the Corporation. The Corporation as in certain cases refused to agree to the request of



the business is distributed over a sufficiently large number of middlemen so that dependence on a few middlemen is avoided. What is required is that the NCDC gets out of the present situation in which it feels helpless in taking any action against the defaulting middlemen and for this purpose it is necessary to reduce dependence on a few middlemen.

- 59 There is need for speeding up the billing procedure. The billing system may be changed from fortnightly to weekly basis and it should be ensured that bills are prepared and despatched quickly after the close of a week. The Accounts and the Sales Departments should keep a close watch and all inordinate delays should be promptly investigated and responsibility for the negligence fixed.
- 60 The unit of the Sales Department responsible for realisation of dues from the middlemen should be suitably strengthened so that the collection drive may be made more vigorous.
- 61 Interest should be charged by NCDC on outstandings beyond the credit period. The recent decision of the Board of Directors regarding levy of interest of 8½% on over-dues should be implemented effectively. In future, the agreements made by the NCDC with various parties for coal supplies should contain a stipulation regarding levy of interest on outstandings beyond the credit period.

the middlemen, and submitted tenders direct, but this has not unoften result in loss of business.

It is rarely that the customers, more particularly private sector customers, are willing to change their middlemen with whom they have been doing business for a long time. The sales policy that is adopted must take into account all these circumstances and the need for increasing the level of sales in a market that is still rather sluggish. Subject to the above limitations, the recommendation is acceptable.

As per the contract with the Railways, bills are to be sent fortnightly. It is not, therefore, possible to bill them weekly. Efforts will be made to ensure that there are no delays in the preparation and despatch of the bills. Cases of inordinate delay will be investigated and suitable remedial action taken.

As the recommendation is accepted and the matter is under consideration already

The Board considered at their meeting held on 3/4-5-68 that it would be advisable to demand payment of interest in cases of over-dues beyond the agreed period of credit. Realising, however, the risk in the present circumstances in introducing very rigid terms and conditions of sale, they have decided that the payment of interest might be waived in suitable cases with the approval of the Managing Director, and the Board apprised of the working of these arrangements from time to time, and their further orders obtained as necessary. It is felt that in present market conditions, and having regard to the imperative need for raising the level of sales and production by about 40-50% within 2 years above the actuals for 1967-68 it would be desirable to avoid introduction of very rigid rules and policies in regard to terms and conditions of sales. The position would, however, be reviewed every quarter in the light of the recommendations made by the Committee.

It might be mentioned that about 85% of the sales of the Corporation are to other public sector undertakings, Government departments like the Railways, Steel Plants, DVC etc. who are not agreeable to paying interest charges on overdues. Further the question of charging interest on overdues has wide implications and will be considered on a general basis by the Ministry of Finance for evolving a workable formula. Moreover a substantial part of outstandings in NCDC's books of accounts relate to disputed bills, amounts under arbitration, counter-claims etc.

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62 Positive measures for expeditious recovery of outstandings should be devised by the NCDC. The past record of NCDC in this respect is hardly flattering. It is surprising to find that over all these years, the NCDC has not found it possible to devise effective action and that the situation was allowed to get out of control. The seriousness of the situation where private parties are allowed to default on the obligation to the NCDC and to make use of the funds for their own purpose would not seem to have been realised either by the Sales Department, the Managing Director or the Board of Directors or there was inability to evolve positive action in making recoveries of these outstandings.

The overdue of the Corporation have generally been equal to about 22½ to 3 months sales including the amount of disputed bills. While a number of steps have been taken to expedite clearance of outstandings such as issue of notices, personal discussions, etc. the Corporation did not take drastic steps by suspending despatches over long periods or instituting civil proceedings as it has been operating in a highly competitive market. In the slump conditions prevailing in the coal industry, a fall in the level of sales and consequently of production would have resulted in much heavier damage than the loss of interest on overdue. It may be pertinent to mention that the Corporation's sales to middlemen and other private parties are mostly of slack coal for which the market demand still continues to be low in relation to the present production capacity. In May, 1968 the Board of Directors considered the question of sales in detail and decided inter-alia as follows :—

(i) Endeavours should be made to enter into long term agreements for direct sales to Government undertakings.

(ii) The Managing Director be authorised to fix credit periods ranging from 45 to 90 days in respect of sales through middlemen.

It has been reported by the Corporation that in the present depressed market conditions and in the context of decontrol of coal, it is essential for maintaining and further improving the current level of sales, production and profitability, that there should be considerable flexibility in the terms and conditions of sales subject to such safeguards and precautions as might be considered necessary for safeguarding the Corporation's dues.

It is necessary that the outstandings of the Corporation should be reduced as much as possible and the recent decisions taken by the Board of Directors should help in course of time to bring down the Corporation's dues. The Government have been regularly advising the Corporation to ensure that the outstandings against middlemen are reduced and are fully covered by Bank guarantees.

63 Concerted efforts should be made by the Railways to improve the wagon supply position in the NCDC collieries. It may be helpful if an operational plan is explored by the NCDC and the Railways jointly every year for the movement of coal from each colliery on month to month basis keeping in view the trends

Constant efforts are being made by the Railways to improve wagon supplies to all collieries including NCDC collieries. As a result of these efforts, wagon supplies to NCDC collieries have increased during 1968-69 as compared to the previous year. The availability of wagons for coal loading is dependent upon several factors some of which are beyond the control of the railways, such as derail-

and prospects of coal production in different collieries. This plan should be reviewed from time to time.

- 64 To encourage coal consumers to take greater supplies of coal during slack season some financial incentive may be given; the effect of such incentive may not be large.

- 65 The wagon supplies made by the Railways are found to be irregular in regard to timings and proportion and sequence of supplies of steam and slack rakes. Irregular and erratic supply of wagons affect the production in hand despatches from collieries adversely in a number of ways.

- 66 To the extent short supplies either on Railways's or collieries account cannot be avoided, the Railways should ensure that in this process the sequence of supply if steam and slack rakes in the collieries concerned does not get unbalanced.

- 67 The Railways should consider if it is possible to supply mixed rakes for steam and slack coal particularly when the movement is in one direction for both types of coal.

- 68 The Railways should examine if the NCDC collieries in the same area and served by the same depot yard, can be treated as a group and are allowed to submit a common loading programme or otherwise divert the rakes from one colliery to another in certain situations.

ments route restrictions, detentions to wagons at the unloading points, labour shortages, etc. In the circumstances the preparation of operational plans for movement of coal from each NCDC colliery on month to month basis was considered to be neither practicable nor necessary for improving wagon availability to NCDC collieries.

As a result of the steps taken by the U. P. Government to maintain the movement of slack coal for brick-burning on a uniform scale throughout the year, there has been adequate demands for movement of coal during the slack season. Railways have stated that there has consequently been no need for them to resort to financial incentives which may not ultimately be necessary if similar steps are taken by other State Governments to maintain the movement of brick burning coal at a uniform level throughout the year.

The irregular and erratic supply of wagons is the product of several factors including detentions to wagons at the loading points by collieries and at the unloading points by consumers of coal apart from operational reasons.

Accepted. Efforts will be made by the railways to maintain the sequence between slack and steam rakes when making good short supplies on railway accounts.

Mixed rakes of steam and slack coal are being accepted by the railways for single destinations in the case of ROX rakes and multi-destinations in the case of conventional 4-wheeler rakes. Due to coupler incompatibility, it will not be possible for the railways to accept mixed rakes for more than one destination

NCDC collieries in the Karanpura field are treated as a group for submission of loading programmes which are implemented in consultation with the Sales Office of the NCDC which indicates the rakes to be allotted to each NCDC colliery from day-to-day. The system of group allotment cannot be extended to the outlying fields where loading programmes are implemented on the basis of indents submitted by the NCDC collieries for each type of coal and not for individual consumers.

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| 69  | The collieries may be allowed to place indents of wagons direct to the Railways Divisional Office a few days in advance of the loading day as is done by most of the private collieries. Alternatively the deficiencies of the existing system of formulation of the loading programme may be removed.   | The procedure followed in the outlying fields for submission of indents is the same for NCDC and private collieries which submit indents for wagons direct to the Railway Divisional Offices a few days in advance of the loading dates. In the Bengal-Bihar fields indents for piecemeal supplies are also submitted direct by the NCDC collieries to the Railway Divisional Offices but rake programmes are submitted by the NCDC sales office which controls the allotment of rakes to NCDC collieries in Bengal-Bihar fields. |
| 70  | Direct communication facilities should be provided between the colliery area and the Sales Department in Calcutta.   | Accepted. NCDC is taking necessary steps in the matter.   |
| 71  | The request of collieries for revision or cancellation of the loading programme for particular days should be entertained by the Railways 2 or 3 days in advance of the loading days.  | This recommendation has already been implemented.   |
| 72  | Closer liaison should be maintained by the Railways and the collieries at operational level so that the available pilots and empty wagons can be utilised to the best advantage of both the Railways and the collieries.   | Accepted. NCDC is already taking necessary action.  |
| 73  | Collieries should make a concerted effort to take maximum advantage of the transport capacity available on all the days including Sundays and other holidays.  | Accepted. NCDC is making necessary arrangements accordingly consistent with the requirements of maintenance of equipments.  |
| 74  | The free loading time of five hours allowed by the Railways to the collieries of Gidi, A' Bhurkunda and Saund is not adequate and has to be increased. The collieries may have adequate elbow-room if for the present, free loading time is increased from 5 to 10 hours.  | This is under examination.  |
| 75  | From the long term point of view, it may be necessary for the collieries to make certain modifications in the loading arrangements in the collieries so that efficiency of loading operations is increased. The NCDC may examine two alternatives viz. (1) shifting of the weighbridge to bring it under the existing loading point and (2) shifting of the loading point to bring it over the existing weighbridge, by using additional belt conveyors. | This is under consideration.  |
| 76  | Single colliery rake loading is a practice which essentially benefits the Railways and hence such collieries of NCDC should not be unduly penalised when they have failed to load all the wagons of a rake by the time pilot guard arrives. In this respect they should be treated in the same way as other collieries which do not take full rake.  | The Ministry of Railways are not in favour of any relaxation in this regard as it might lead to running rakes under loaded.   |

- 77 In regard to rationalisation scheme the Railways should at least remove restrictions which are not governed by the question of economic use of Railway capacities and which were earlier imposed at the instance of the Coal Controller to suit the marketing of coal of certain areas particularly Bengal-Bihar.
- 78 It is suggested that movement of coal from Korea and Rewa fields should be allowed beyond Sawai Madhopur and beyond north of Manikpur. The collieries of Banki, Surakachar and Korba should be allowed to supply coal to industrial consumers beyond Waltair. The present system of levying siding charges in the M.P. collieries opened after 1948 is discriminatory and completely contrary to the very policy that dictated the opening of these mines in the Madhya Pradesh area. It is essential that the practice which is followed in the case of the overwhelming majority of collieries situated on the Eastern and South Eastern Railways should apply to the NCDC collieries in M.P. as well.
- 79 Almost at all projects, there is scope for large improvement in productivity by raising production without raising the man-power, by better employment, and more intensive use of machinery, provided requisite sales and transport facilities are arranged for the larger production.
- 80 Even a rough comparison shows that in a number of collieries, there is room for economy in man-power. We suggest that the matter should be more fully gone into by the teams which have been separately suggested for reviewing the project reports and bringing them upto-date.
- 81 The overall advantages lie in reviewing and streamlining purchase arrangements and the purchase procedure at the headquarter level and not by raising the local purchase powers of the local officers.
- The existing Rationalisation Scheme is based on optimum utilisation of railway movement capacities, which have been developed in conformity with the Rationalisation Scheme. The Railways are prepared to relax the present rationalisation scheme to suit changes in the movement capacities provided such relaxations do not result in wastage of capacities already developed for the movement of coal.
- The railways are not in a position to move coal from the Korea and Rewa fields beyond Sawai madhopur and north of Manikpur due to movement difficulties. [The railways are not in a favour of entertaining such movements as it would result in wastage of movement capacities developed in accordance with the Rationalisation Scheme for movement of coal to consumers in Uttar Pradesh and Rajasthan from Bengal-Bihar fields. Banki, Surakachar and Korba collieries have been allowed to supply loco coal to the Southern and South Central Railways as a temporary measure until the Singareni and Talcher collieries are in a position to supply more loco coal to the Railways. The Railways are not in a position to move coal to industrial consumers south of Waltair from Banki, Surakachar and Korba collieries so long as the requisite quality and quantity of such coal is available from the rational sources viz Singareni, Chanda and Talcher.
- The present system of levying siding charges in the Madhya Pradesh collieries opened after 1948 is being examined by the Ministry of Railways.
- Accepted.
- A committee has been appointed by the NCDC to study this question in detail for each colliery.
- Accepted; action is being taken accordingly.

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| 82 It is understood that NCDC are considering the establishment of a number of regional stores. We consider that this proposal should be given effect to without delay. The Regional Stores Officers should be responsible for replenishment of colliery stores to the level of one month's requirement, for maintaining sufficient stocks at the regional stores to enable them to do so, and for control and regulation over stocks. The Regional Stores Officers should be responsible for placing indents for the purchase of stores. By making Regional Stores officers indenting officers for stores and spare parts, delays in the purchase can be reduced. The constitution of a combined department at Headquarters for Stores and Purchase is recommended. | Necessary decisions have already been taken by the Board to amalgamate the Stores and Purchase Departments and for administration of Regional Stores. It is expected that it will take some time to create necessary ground organisation, and make effective the functioning of the Regional Stores.  |     |
| 83 We consider whatever difficulties there may have been in the past, attempts should be made to revive the earlier position whereby NCDC becomes a direct demanding officers for the DGS&D rate contracts.  | It has been agreed to extend the facilities for Directorate General of Supplies and Disposals rate contracts provided the Corporation makes pre-payment of the cost or agrees to a revolving deposit.   |     |
| 84 NCDC is having large inventories according to the balance sheets of the preceding few years. The attempts made so far to locate surpluses and to dispose them of have been wholly inadequate.   | An Officer-on-Special Duty was appointed in October, 1967 to draw up a scheme for bringing about necessary improvements in stores and purchase procedures with a view to establishing effective inventory control. Necessary decisions have already been taken by the Board of Directors after considering the scheme prepared by the officer. Necessary steps have been taken for circulating the list of surplus equipment and stores items to other Public Sector Enterprises, Ministries and State Govts. and for issuing public notices/advertisements wherever necessary. |     |
| 85 It is one of the major lacunae in the NCDC that the postings in the price store ledgers are greatly in arrears and these arrears are in a confused state.   | An experienced Area Accounts Officer has been put specially in charge of the work of bringing the priced stores ledgers upto-date and for improving the arrangements for stores accounting.   |     |
| 86 Mechanical system of stores account have been introduced. But the supporting preparatory arrangements have not received the attention required. All the items have not been codified. There is considerable confusion in the stores classification. These have to be sorted out and procedures established for the effective use of machine accounting. We suggest that immediate attention should be given to rectify the position.  | The work of stores classification is also nearly complete now, and is expected to be finalised shortly. It is expected that necessary improvements will have been brought about, as desired by the committee within a period of one year to 18 months from now.   |     |



87 We recommend that the NCDC should appoint a small committee of competent officers to draw up a programme for bringing about these improvements regarding stores within a period of say next 1 year or 18 months.

88 Now that the import of spare parts have remained liberal since the latter part of 1966, the NCDC should have another look at its procedures in order to see that these do not stand in the way of making the full and prompt use of such foreign exchange as is made available to it for the import of the much needed spare parts.

89 There should be a very close liaison between the NCDC and the Mining and Allied Machinery Corporation and Heavy Electrical Corporation at Ranchi in regard to the manufacture of mining equipment. Similar coordinating efforts are necessary in order to secure from the Bharat Earthmovers and other manufacturers of earthmoving machinery early deliveries of the equipment.

90 The workshops should be regarded more or less as independent units and their work should be directly supervised at the higher level by the Chief Engineer (E & M) at Ranchi who should be made full responsible to make these workshops achieve the maximum degree of efficiency and usefulness.

91 The Committee, however, considers that there is substance in the suggestion that the officers who are administratively responsible for production cost, labour relations and safety should also be statutorily responsible for the observance of safety regulations. The correct remedy would be that wherever permissible the Dy. Supdt. of Collieries should himself assume the responsibilities of the Colliery Manager under the Mines Safety Regulations. We do not propose, however, that for this purpose the number of DSOC should be increased. What is proposed is that to the extent that the regulations permit the statutory responsibility for the safety and the administrative responsibility should be combined.

Necessary measures have already been initiated for bringing about improvements as stated in the preceding paragraphs.

While currently there has been no difficulty in making full and prompt use of available foreign exchange for import of essentially needed spares, a detailed examination is being made of the procedures being followed in the Corporation for purchase of spare parts as recommended by the Committee.

Close liaison has now been established between NCDC, MAMC and the HEC at Ranchi. NCDC are also keen on tying up arrangements for purchase of equipment available with Bharat Earth Movers who have not, however, started as yet the manufacture of the heavy earth-moving machinery needed by N.C.D.C.

Presently, there is no Chief Engineer (E & M) in the Corporation, and the Deputy Chief Engineer (Maintenance) has the overall responsibility for the efficient working of the two Central Electrical and Mechanical workshops of the Corporation at Barkakana and Korba. The Committee's recommendations in this regard are under implementation.

NCDC collieries are generally large units which contain a number of working pits, inclines/quarries. Under the Mines Act, each separate pit/incline or quarry is treated as a separate mine; and under regulation No. 31 (4) of the Coal Mines Regulations, 1959, no person shall act or be appointed as Manager for more than one mine as defined in the Mines Act except with the previous permission in writing of the Chief Inspector of Mines, and subject to such conditions as may be specified therein. Where there are two mines adjacent to each other, the Mines Department permits one person to act as Manager for both mines but they generally insist at the same time that a mining engineer with a first class Colliery Manager's certificate shall be employed as Assistant Manager in each mine. There is, therefore, not much advantage in appointing one person as Manager for more than one mine.

Moreover, the Dy. S.O.C. performs the functions of Agent under the Mines Act and, under regulation No. 31 (10) of the Coal Mines Regulations 1959, no person appointed as Agent shall act also as Manager. It would also not be practicable for the Agent/Dy. S.O.C. to perform singly all the managerial and statutory functions allotted to the Colliery Manager (by the Agent) in respect of the various mines viz. pits/inclines and quarries under him.



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| 92  | On account of the earlier traditions and centralised working and in the absence of codes and manuals defining powers and functions of each officer in each field there is still a noticeable lack of coordination at the colliery and Area level. It is, therefore, essential that NCDC should fully recognise the DSOC/Project Officer as the principal officer on the spot responsible for production, economy in costs, safety and labour relations as well as for carrying out all these policy instructions which were issued from time to time from the headquarters. | The Dy. S.O.C./Project Officer, it may be stated, has overall charge and control over all the Mines Managers under him. He is also responsible for day to day planning of the work for exercising control over stores and cash and coordination of the work of different sections such as Mining, Mechanical and Electrical, Administration, etc.  |
| 93  | We agree that codes and manuals should be prepared early for the guidance of officers working in the field as well as in the area and headquarters organisations.   | The Dy. S.O.C./Project Officer is the principal Officer on-the-spot responsible for production, cost, safety labour relations as well as for carrying out all policy instructions issued from headquarters. It is proposed to issue further instructions reiterating this.   |
| 94  | There should be a system of regular inspection of the field by the supervisory officers both from the area and the headquarters level.  | Necessary orders and instructions have been issued from time to time specifying the functions of officers of different categories in the field. Some of the officers have also statutory functions under the Mines Act and Regulations. The question of bringing together and codifying these instructions is, however, presently being considered.  |
| 95  | It should be possible to consider the performance of each officer and in the case of really good performance to award accelerated increments, honoraria, merit allowance, some such monetary incentives to the selected officers. An obverse of this proposal is to penalise those whose work is not upto the standard.   | Inspections of various projects/areas are held from time to time by Area General Managers/Dy. General Manager (Technical). The heads of various Technical Departments at headquarters have also been making field inspections from time to time. Presently, however, these inspections are not being made on the basis of a regular system/rotation. Certain instructions which were issued earlier in this regard also need to be revised new as various organisational changes have taken place since. The recommendation made by the Committee is generally acceptable to the Corporation, and necessary orders are being issued to introduce a system of regular periodical inspection by top officials at the area and headquarters levels. |
|     |   | These recommendations can be accepted in principle. There is difficulty, however, in any organised cadre in a large organisation like NCDC in giving accelerated increments, honoraria, merit allowances etc. except in very exceptional cases. Officers whose work is not upto the requisite standard according to the assessment of their supervisory officers can easily be held up for promotion, but it would be feasible to impose penalties only for specific faults. It is not unusual in the organised private sector for officers who are  |

- not wanted by the Management for one reason or another to be discharged after giving due notice and payment of compensation if any. It is doubtful, however, whether it would be possible or even desirable to adopt this procedure in a public undertaking.
- 96 There are many other ways in which recognition of good work can be given. NCDC might find it desirable to introduce some system of medals, certificates of merits, or other awards to officers of the rank of DSOC and below.
- The Corporation proposes to introduce a scheme for grant of medals, certificates etc. for good performance.
- 97 We suggest that every quarter the Project Officers and the DSOC of each area should meet, discuss matters relating to their problems, receive guidance from the Area General Manager and the Technical Officers of the headquarters. Similarly there should be half yearly or at least annually a conference of all the DSOC/Project Officers at the headquarters.
- The Project Officers/Dy. S.O. Cs have frequent meetings with the Area General Managers and other Technical Officer at the Area Headquarters. It should suffice, therefore, if a joint meeting of all Dy. S.O.Cs/Project Officers with the Area General Manager and Technical Officers at Area level is held twice a year regularly.
- It may not yield much result to have a half-yearly/yearly conference of Dy. S.O.Cs/Project officers from all areas at the headquarters of the Corporation. The Dy. S.O.Cs/Project Officer will no doubt have opportunities of meeting the Chairman/Managing Director and other whole-time Directors, Senior Mining Engineers and Head of various Technical Departments during their visits to various Areas/Projects.
- 98 DSOCs/Project Officers and those other Officers who might have the potential of undertaking these responsibilities, should be given a course of management training at the recognised institutes in the country.
- Accepted; necessary steps have been taken in this direction.
- 99 One of the ways of improving the technical knowledge is by means of house magazines on technical matters.
- These suggestions are acceptable generally. They are being examined however in detail in consultation with the Heads of Departments and Area General Managers.
- 100 There should be seminars and conferences of junior officers and of foremen and operators at the appropriate level.
- Do.
- 101 We conclude that the number of areas should be reduced from 10 to 9 by combination of Baikunthpur and Bistrampur. This does not mean of course that all the A.G.Ms. have to be of the same status. But they should have similar administrative, financial and discretionary powers.
- It is proposed to reduce the number of Areas from 10 to 9 by abolishing the post of Area General Manager at Giridih and amalgamating the Giridih Area with the Central Jharia Area. The Baikunthpur and Bistrampur Areas constituted one Area originally but this arrangement did not work very satisfactorily.

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- 102 The number of persons working as staff officers in certain areas appears to be excessive. A review should therefore be made taking into account the quantum of work involved.
- 103 The accounts work should be fully decentralised. The area accounts officer should be made fully responsible for compilation of accounts for the area. The existing system whereby a great deal of expenditure is incurred through imprest account is not satisfactory.
- 104 Where regional stores are established, officers incharge of these regional stores should be administratively under the control of the Controller of Stores and Purchase in Ranchi.
- 105 In some areas it may be necessary to appoint special officers of the Sales Departments for contacts with local customers like power houses, settlements of disputes, finding local markets etc. These officers should be under the administrative control of the Sales Office at Calcutta.
- 106 There should be close liaison between Area General Manager and officers like Superintendent of workshops, regional stores officer and local sales officer wherever posted. This could be brought about by frequent consultation.

There is a distance of about 90 miles between the Bistrampur Colliery and Jamuna Colliery which is the western most project in the Baikunthpur Area. It is also important at this stage that all feasible steps should be taken to step up production and despatches from the Bistrampur Colliery which has a targeted production of about 2 million tonnes. The question of reopening of the Kutkora Mine in the Bistrampur Area is also under consideration and this would further add to the work in the Bistrampur Area. The feasibility of amalgamating Bistrampur and Baikunthpur Areas could, however be reviewed sometime towards the end of 1969-70.

A committee has already been appointed to carry out this review.

The recommendation regarding full decentralisation of accounts work is acceptable. This has been implemented.

As regards the recommendation regarding the existing system, whereby a great deal of expenditure is incurred through an Imprest Account not being satisfactory, it may be clarified that the bulk of such expenditure is in respect of weekly payments to daily rated workers. The matter has been examined and it has been found that it is not practicable to do away with this system at this stage so far as weekly payments of this nature are concerned. However, instructions have been issued in consultation with the Financial Controller severely restricting other types of expenditure to be incurred from Imprest Account. Such expenditure is now permitted only in respect of expenses of petty and emergent nature. Needless to say, all expenditure incurred from the Imprest Account are required to be post-audited.

This is provided for in the scheme of reorganisation of the Stores and Purchase Departments as approved by the Board of Directors of the Corporation.

The recommendation is accepted. A decision has been taken to set up Regional Offices at Lucknow and Delhi. The question of setting up regional/local offices at 2 or 3 other places is under consideration. These offices will be under the control of the Sales Department with its Headquarters at Calcutta.

Accepted.

- 107 There should be a special section of Industrial Engineering Department manned with engineers having special training in industrial engineering. There is already an officer trained in Industrial Engineering under the Planning Department at the headquarters. The question of strengthening the Industrial Engineering Section is presently under consideration.
- 108 We have been informed that sometime decisions are taken at the Headquarters without consultation with the Area General Manager. There have been cases of the Area General Manager's views having been over ruled, specially in matters relating to labour relations. We consider that it would be advisable that in all such cases the final decision should be communicated to the parties concerned by and through the Area General Manager. Accepted.
- 109 There is scope for a reduction in departments like civil engineering department at Headquarters. There should be an Organisation & Methods Division in the Administrative Division of the headquarters to ensure that the office staff at Headquarters, areas and field units is sufficient but not excessive. The Planning Department of the Headquarters needs to be strengthened. The Planning Teams as well as the Planning Department should be staffed not only with the Mining Engineers but also with persons who have knowledge of markets for coal, transport facilities etc. The Research and Development wing should also be in the charge of the Chief Engineer of the Planning Department. It is agreed that there is need for reorganisation of the various sections at Headquarters and for strengthening the Planning Department. These have been taken in hard.
- 110 The Sales Office needs to be strengthened with a section for undertaking market surveys and for collecting market trends. Accepted.
- 111 A washery section may be constituted as an independent section in the charge of Functional Director (Technical). Accepted.
- 112 It may be legitimate to estimate that if the production and sales is increased by another 2 to 3 million tonnes, the NCDC will have not only come out of the position of losses on current account but would have strengthened itself sufficiently to meet part of the unabsorbed losses of the previous years and provide for any other contingencies. The capacity production and sales of some 15 million tonnes from the collieries now on revenue account should result in the Corporation having definitely turned the corner. The Corporation increased production from its *revenue collieries* during the financial year (1968-69) by over 2.4 million tonnes over their production of 9.61 million tonnes in the previous year and hope to raise it further by another 2 million tonnes in 1969-70 so as to raise the production to 13.50 to 14.00 million tonnes. Although costs have increased significantly with full implementation of the Wage Board Award, payment of increased variable dearness allowance to workers, and steep increase in power rates in most areas a part of this increase will be absorbed with the increase in production and productivity.

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| 113 | The NCDC needs to examine carefully the future of the collieries showing losses (Giridih, Argada, Talcher, Deulbera, Bachra etc.) in order to see how they can be made financially viable. If there is no possibility of making them viable they may even have to be closed.   | This examination has been carried out and necessary proposals have been evolved which are presently under the consideration of a Technical Committee appointed by the Board of Directors.  |
| 114 | Although there is no specific directive in the case of Gidi Washery, we consider that in fairness, this is also a case where the losses that are likely to accrue from the operation of Gidi Washery be debitable to the Central Government.   | The Committee's recommendation raises an important policy question. In the case of Giridih Colliery when a Presidential directive was issued for continuing the working of the mines, it was decided not to reimburse the losses that the Corporation might incur by working these mines. The matter will, however, be considered.   |
| 115 | The NCDC and the Department of Mines & Metals should explore fully with the Ministry of Petroleum & Chemicals the possibility of the establishment of a coal-based fertilizer factory in the public sector in Banki-Surakachar region. The establishment of such a unit will simplify the problem of making these two capital intensive mines financially viable.  | The question of establishing coal based fertilizer plant at Korba is under consideration.  |
| 116 | We have noticed that there is no adequate budgetary control on the expenditure incurred at various units and in various offices. Employment of additional staff and workers upto certain levels of pay is decentralised to Area authorities. Without adequate budgetary control, the exercise of these powers may very easily lead to extravagance. Corresponding to the production plan there should be the annual expenditure plan with the Budgetary provisions made for various items of expenditure which are required for the projected level of production. | Accepted. It might be observed that presently no project, whether under revenue or development, is permitted to recruit any additional personnel without the prior approval of the Managing Director, and every endeavour is being made for adjusting surplus personnel, wherever available against new demands of the development units.                                    |
| 117 | In addition to the budgetary control over expenditure, the NCDC should work out, in relation to the working conditions at each mine, norms and standards as to the complement of manpower and machinery to be employed for expected optimum rate of production. Similar norms should be prescribed for the quantity of explosives used or stores consumed.   | Expert teams have been appointed to work out, in relation to working conditions in each mine, norms/standards as to the complement of manpower and machinery for the present, and anticipated rate of production. Norms are also being worked out for the requirements of principal items of stores and explosives for each mine.  |
| 118 | It is suggested that the Corporation should give intensive training to all of its employees and refresher's training by—(a) Reorganising its training schools and mine mechanisation training institutes to impart intensive training to its skilled workers and supervisory staff; (b) giving training within the industry upto the level of  | The Corporation is giving training in its own mines to probationary mining engineers upto the level of Assistant Colliery Managers. Opportunities are also now being given to promising Colliery Managers and Senior Officers for broadening their outlook and acquainting themselves with modern concept in management by participating in suitable courses at the Adminis- |

Assistant Colliery Manager; (c) For Colliery managers particularly those who are promising, an opportunity for broadening their outlook and learning modern system of management at Institute of Management at Calcutta and Ahmedabad and for higher level personnel at the Administrative Staff College at Hyderabad.

trative Staff College, Hyderabad and Institute of Management at Calcutta and Ahmedabad.

119 We feel that the important reasons for the breakdown of machinery are inadequately trained machine operators and poor maintenance. Training institutions may be started at Barkakana and Korba Workshops for machine operators and maintenance crews. The importance of preventive maintenance should be emphasised and the efficiency of operators and maintenance personnel including officers should be judged by the number of hours machines are run without a breakdown.

The suggestion of the Committee for instituting a scholarship scheme under which bright young boys of its employees may be sponsored for mining/technical courses under a bond to serve the Corporation for a certain minimum period is under examination.

120 There should be short-term courses for supervisors giving them training in theoretical and practical aspects of their respective branches. These could be arranged in the respective areas. Suitable training arrangements should also be made for storekeepers and stores officers, cost accountants and cost accounts officers, and the technical personnel in other cadres.

The Corporation has already introduced the vocational training scheme for all miners, loaders and similar other workers. At present machine operators maintenance crews and engineering craftsmen are being trained at the Mining and Mechanisation Training Institutes of the Ministry of Labour which are run on their behalf by the Corporation. The question of providing more adequate training for personnel in these categories as also for supervisory staff is being considered further in the light of the committee's recommendations.

121 It is suggested that the Corporation may institute a scholarship scheme under which bright young boys of its employees may be sponsored for mining technical courses under a bond to serve the Corporation for a certain minimum period.

A Committee consisting of senior officers is being appointed to examine these matters carefully and to evolve detailed proposals for the consideration of the Board of Directors.

122 We feel that a large Corporation like NCDC should have a Research Wing of its own to look to its technical problems requiring immediate solutions.

The existing library of the Planning Department at the Head Office is being enlarged and provided with necessary facilities for subscribing to technical papers etc. and preparing a monthly digest. Steps are also being taken for supplying technical books/literature at the headquarters of the Area General Managers and also in the important projects, where necessary.

123 NCDC should have adequate library facilities by which it should subscribe for larger number of technical papers. A monthly digest of technical papers may be prepared and circulated for creating abiding interest in its technical officers in the mining field.

The Planning Department already has staff for analysis of technical data, preparation of project reports and plans etc. The Corporation has been using the research facilities available at the Coal Mining Research Station, Dhanbad and Central Fuel Research Institute, Jealgora (Dhanbad). The question of developing a small Research Wing as recommended by the Committee, is however, under examination.



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|     |  | and Central Fuel Research Institute, Jealgora (Dhanbad). The question of developing a small Research Wing as recommended by the Committee, in however, under examination.       |
| 124 | Following are suggested<br>(i) Seminars may be held where different officers may read papers and initiate discussion on specific practical problems, relate their own experience of handling such problems and learn about how others have handled the same and other problems in the course of their work.<br><br>(ii) A house-magazine, quarterly, to begin with devoted to technical subjects. Articles on various technical matters could be contributed to this magazine by the officers and other employees of the Corporation.<br><br>(iii) If sufficient interest and technical thought develops as a result of the above two measures, the NCDC may under take publication of technical bulletins on a variety of subjects which could be of interest to the managers, officers and workers of the Mining Industry as well. | Government are in general agreement with the Committee's recommendations and necessary action will be taken on these lines.<br><br>Do.<br><br>Do.                               |
| 125 | It would be desirable if, in the interest of conservation of the coking coal reserves, Government pursues the scheme of amalgamation of small holdings vigorously and also does not grant fresh licences for small collieries for starting new enterprises or for expansion.   | Government are pursuing the scheme of amalgamation of small holdings. Recommendation that fresh licences should not be granted to small collieries for coking coal is accepted. |
| 126 | For Monidih and Sudamdih, an efficient management has to be set up to achieve the targetted production in the minimum possible time. We trust that the advice and the assistance of the Polish experts would be available also during the initial periods after production commences.  | Necessary action is being taken for strengthening the managerial set up at Sudamdih and Monidih.  |
| 127 | With the likely investment of more than Rs. 50 crores and as the problems of collieries may be different from those of other NCDC collieries, these two mines by themselves may prove to be big enough to require the constitution of a separate company. It may be examined at a later date whether such a company would be an economically viable proposition. For the present our suggestion is that for these projects, viz, Suda-   | Necessary action is being taken for strengthening the managerial set-up at Sudamdih and Monidih.  |



mdih and Monidih, the Area General Manager incharge should be vested with adequate powers to take 'on the spot' decision, on all matters of affecting the progress of work and has the assistance of competent staff who have proved their ability during the construction stage. Among the problems which this officer should tackle right from now is a long term arrangement for the steady and assured supply of spare parts, replacement etc. It would be useful if the Mining and Allied Machinery Corporation which also has Polish collaboration is closely associated with the provision of machinery for these mines.

- 128 It may become necessary for the deep mines at Sudamdih and Monidih to be given a special price or their production subsidised so as to be competitive. This will be considered when production starts.
- 129 We suggest that the rates of subsidy being granted by Coal Board should be reviewed in the light of conditions prevailing and likely to prevail at Sudamdih and Monidih and, if necessary, suitably revised keeping in view the fact that these mines are being specifically developed to provide the much needed prime coking coal. This will be considered when production starts.
- 130 We recommend that before taking up any more deep mines, their economics vis-a-vis intensive exploitation of the 'easier' reserves in the possession of the private sector should be carefully gone into, in consultation with the steel plants, the Coal Board and the owners of these collieries. Accepted.
- 131 Normally the agreement between the washery and the consumer regarding price should be arrived at by direct negotiations; but if they fail to produce an agreed conclusion within a period of say, six months, the Government should make arrangements for fair and prompt decision in the matter, if necessary, by setting up a committee or a referee to reach decision. It is not proper that such inter-unit disputes between the public undertakings should be allowed to drag on for years as in the case of Kargali washed coal. The referee and the committee should be free to evolve fair principles to decide the issues involved. The various differences of opinion that had arisen between Hindustan Steel Limited and NCDC regarding the price of clean coal produced at the Kargali Washery have since been resolved.

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| 132 For various reasons the Bi-cable Ropeway installed at a cost of Rs. 13 lakhs was discarded. It is not understood why such difficulties could not be foreseen and rectified. The alternative system of transport is by road and the cost per tonne during 1966-67 was Rs. 2.31 in case of chute loading and Rs. 3.51 in the case of hand loading. Possibilities of transport by pipe-line may be explored. | Government are advised that the transport of raw coal by pipe-line under the conditions obtaining in Bokaro-Kargali would not be practicable.   |     |
| 133 The main points regarding slurry at Kargali Washery which need consideration are :—   | As desired by the Committee, the matter is being examined in detail by the Chairman/Managing Director with the assistance of an expert in coal washeries from outside.  |     |
|   | (i) Such a large washery was designed and erected with so small a capacity for recovery of fines (15 tonnes per hour if all the three old filters are used whereas the quantity of fine coming at the original capacity was 50 tonnes per hour). An effort should be made to increase the capacity of slurry circuit. |     |
|   | (ii) No attempt was made to recover the fines going into the slurry for such a long time resulting in a great loss (estimated at Rs. 2 crores).   |     |
|   | (iii) During the expansion scheme, the capacity of slurry circuit was increased to 68 tonnes per hour and this has been available since March, 1966, but it is not being used effectively. The expenditure since then on the manual recovery of the fines is about Rs. 27 lakhs.                                      |     |
|   | (iv) During the enquiry this was taken up in detail and ultimately it was decided to instal two more screens which were to result in stoppage of manual collection by January, 1968, but the work has been delayed due to one reason or other.  |     |
|   | (v) The percentage of 'fines' recovered and the amounts paid fluctuate widely from month to month. It is rather strange that the percentage of 'fine coal' could vary so widely. A strict check should have been exercised over the quantities reported to have been transported by the contractor.                   |     |

From our examination of the questions and answers received by us as well as the absence of a sense of urgency on the part of officials concerned to adopt simple remedies which would have saved the Corporation about Rs. 8 lakhs per year, we have reasons to conclude that the arrangement for a manual recovery of the slurry requires detailed probing by the Managing Director with the assistance of some expert in coal washeries from outside the NCDC.

- 134 In the course of examination of the proposal for sanctioning the Gidi Washery project several questions were raised by the Ministry of Mines and Metals as well as the Ministry of Finance, but there is no record to show that the remunerativeness of the project for the NCDC was touched upon. It is rather surprising to note that though the Memo. submitted to Expenditure Finance Committee (of which the Finance Secretary was the Chairman) contained a specific heading 'state the estimated yield and economic implications' no material information was given except to say that the cost of washing would be Rs. 6.22 per tonne. No comment.
- 135 We suggest that in future no washery project should be sanctioned unless its economics are worked out and a clear appreciation made that the consumer would be willing to meet the cost of washing. Noted.
- 136 The firm market for Gidi washed coal is not now expected to be more than one million tonnes leaving a balance of 0.8 million tonnes for which there is no prospective market. In addition there is also the problem of finding reasonable price for the washed coal, especially when raw blendable coal of comparative quality continues to be available in adequate quantities. No comment.
- 137 No formal directive was issued to NCDC to take up Gidi Washery. The correspondence shows that as far as NCDC was concerned the insistence of the Government was as good as directive. We recommend that in the case of Gidi Washery project, the financial losses that may accrue on the working of this project be entirely met from the central revenues and should not effect the profit and loss account of the NCDC. The Committee's recommendation raises an important policy question. In the case of Giridih Colliery when a Presidential directive was issued for continuing the working of the mines, it was decided not to reimburse the losses that the Corporation might incur by working these mines. This is, however being considered.

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| 138 The corresponding turn over in terms of washing expenses alone ranges from Rs. 80 lakhs in Sawang to about Rs. 3 crores in Kathara. By any standards these projects are large enough to require that at the production stage they should be manned by experienced and competent factory managers.   | Accepted.   |   |
| 139 The NCDC will be well advised to ensure that the foreign collaborators who are helping the Corporation in the installation of these washeries, maintain sufficient technical personnel in India even after the washeries are commissioned to advise and, if necessary, take charge of several problems that may arise during the teething periods until the washery reaches its optimum level of production. In the meantime, selected officials should be nominated to understudy the foreign experts so that they can take over the management and run it competently after the plant has reached optimum level of production. These officials could be selected from any of the NCDC cadres. | Foreign collaborators who are helping the Corporation in the installation of the new washeries always maintain sufficient technical personnel during the trial run of washery. Arrangements have been made for training aboard of selected engineers and technicians, as also for intensive training over a period of 18 months to 2 years of junior technicians in the work of operation and maintenance of washeries. The question whether the foreign collaborators should be asked to maintain technical personnel for sometime even after the washeries have been commissioned will be considered by the Corporation in the light of experience during trial runs. |   |
| 140 As far as Kargali Washery is concerned, the best solution now seems to be to persuade one of the technical collaborators at the three washeries under construction, to nominate persons who can put the production of this washery on a satisfactory basis and run the plant at an optimum level of production for a period of six months. In the meantime some selected officers should be nominated to understudy the foreign experts so that they can take over the management from the foreign experts at the end of the period. Besides, top managers and other technical staff should be kept in readiness for managing these washeries.  | The Corporation is not convinced of the need for having foreign experts to run the Kargali Washery for achieving the optimum level of production. In fact foreign experts had been with NCDC till sometime ago. The Corporation has requested the Central Fuel Research Institute to make a detailed study of the performance of the washery and make recommendations for improvements in various directions. Suitable action will be taken thereafter.   | It may not be out of place to mention here that among the large washeries which are in operation at present, the Kargali Washery has shown the best results both as regards its economics of operation, and in respect of the quality of its product. |

- 141 There should be a technical section of small number of expert personnel in charge of work relating to washeries at the headquarters at Ranchi. There is a technical cell. Steps will be taken to strengthen it as necessary.
- 142 We consider that these joint management councils should be revived and every effort made to build up cooperative working at the Colliery levels through such councils. eventually these could very well be built up the base for workers participation in management. Joint Management Councils have been set up in 14 collieries/establishments. As desired by the Committee, steps will be taken to activate these councils, and to build up a similar base for workers participation in management in the remaining collieries/projects, where feasible.
- 143 We have been informed by management on the labour union that labour-management relations in National Coal Development Corporation have been good. Figures of man-days lost due to strike and cessation of work in the collieries/establishment of National Coal Development Corporation during the last four years showed that the record of National Coal Development Corporation in respect of industrial relations was a good one except in respect of certain strikes at the headquarters in Ranchi and at Gidi 'A' Colliery in May-July, 1967. Noted.
- 144 The safety measures taken and the safety record of the organisation are important in determining the state of labour relations in the mines. In this respect too the National Coal Development Corporation record compares favourably with that of the coal industry as a whole. Noted.
- 145 In respect of amenities and welfare measures generally the National Coal Development Corporation has established its reputation as a progressive employer. Several labour unions have admitted this fact. There are many who considered that many of these amenities and welfare measures are, if any, unduly generous especially as the earnings of the Corporation are low. Noted.
- 146 The question of multiplicity of unions is now before the National Commission of Labour. It has been suggested to the Commission by many responsible quarters that the principle of having a majority union as the single bargaining agent in various industrial units, should be given statutory recognition. We fully support this suggestion. The matter is under the consideration of the National Commission on Labour.
- 147 Over a period of six weeks since the 14th June 1967 the staff of the Headquarters was on strike at a time when on the management side, there was confusion in leadership at the headquarters. No comments.

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| 148 | The way in which labour matters were handled at the headquarters during 1965 to 1967 should also indicate the need to ensure that the grievances of staff and labour are taken up promptly for making firm and unambiguous decisions which should also be implemented equally, quickly and promptly.   | A senior officer from the Ministry of Labour & Employment has since been taken on deputation in the post of Chief Personnel Officer of NCDC.  |
| 149 | One other point that emerges from the labour management relationship as it developed since 1965, is the need for the National Coal Development Corporation management at various levels to keep itself in close touch with the local officials of the State Government especially those dealing with public opinion and with matters of law and order. It is for the National Coal Development Corporation officials concerned to promote adequate public relation with the local officials and with the local public opinion. | Accepted suitable steps are being taken in this behalf.   |
| 150 | We consider that labour unions should not undertake as part of their union activities, agitations, and demonstrations relating to the acts of the alleged corruption and mismanagement.  | It is agreed that Labour Unions should not ordinarily undertake as part of the union activities, agitations and demonstrations relating to the acts of alleged corruption and mismanagement. However, if there are specific cases of the kind, they could be brought to the notice of the top management. |
| 151 | It is important that effective measures are taken by the management to ensure that cases of corruption and mismanagement, whenever discovered are investigated and where they are found to be true, they are dealt with in a deterrent manner.   | Accepted necessary action is being taken accordingly.   |
| 152 | re was over reporting at athara The excess appears to have been adjusted in subsequent months by showing coal despatched from stock. We have not examined the financial and case records of the colliery to ascertain whether similar manipulations had been made in these records as well. The matter should be investigated further by the Corporation.  | As recommended by the Committee, a further investigation has been ordered to look into the earlier over-reporting of coal stocks at Kathara and South Baladda Collieries.   |



- 153 Manipulation of production records is a serious matter and persons responsible for it should have been suitably dealt with. Even now, it may be worthwhile reopening the two cases at Kathara and South Balandra where apparently first there was over-reporting and later under-reporting. Moreover, in order to prevent recurrence of such misreportings, we recommend that the project officers should have strict instructions to ensure the correct reporting of stocks, and to record reasons whenever there is any change in the basis of reporting, for example, when changes are made in the quantity moved per dumper trip. For the purpose of verifying the stock reported at the end of the year, the Head Office should have a team of surveyors to visit all the collieries in turn for verification of large stocks:
- Arrangements exist for verifying the stocks at each colliery at the end of the year with the help of teams of surveyors.
- Project Officers have been strictly enjoined to report stocks correctly and record reasons if any changes are effected in the capacity of each dumper trip.
- 154 In respect of fire at Saunda colliery, we are constrained to observe that if detailed analysis of atmosphere had been conducted at frequent intervals earlier also, the fire could probably have been detected and arrested in time.
- The matter is under examination.
- 155 We suggest that in respect of fires, the following measures, amongst others should be taken:—
- (i) Stockpiling of coal should be avoided as far as possible but where this becomes unavoidable such as minimising the height of the heap, isolating them by cutting trenches etc, should be observed. arrangements should be made for sprinkling of water and taking of temperature readings.
- The measures suggested under (i) are being followed. The Corporation is issuing written instructions in regard to the remaining suggestions of the Committee.
- (ii) Wherever there are areas sealed off due to fires, regular analysis of atmosphere and pressure surveys should be conducted and the results perused carefully.
- (iii) A regular enquiry should be instituted in every case of fire. If it is a major fire like the one at Kurasia, one or more experts from outside the NCDC should be on the enquiry committee. The terms of reference of the committee should be comprehensive and in particular, it should be asked to find out as to how the fire arose and whether all possible precautions were taken. Suitable notice should be taken for any negligence in the matter.

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|     | (iv) The report of the enquiry should be considered by the Board and if necessary by the Government and the loss should be written off under the orders of the competent authority. At present there does not seem to be any systematic procedure established for reporting such losses to Board and for obtaining its orders in regard to the write-off of losses.   |   |
| 156 | Judging from the number and varied nature of the complaints it has been concluded that there is no proper agency in the Corporation to look into the allegations and malpractices in time. The efficiency of the Corporation in this respect has to be judged from the speed with which it handles such complaints when made to the management and the promptness with which disciplinary action is taken against erring personnel. Vigilance action to be effective has to be prompt and firm.   | The complaints and malpractices investigated by the Committee related mostly to earlier years. Instructions have been issued to NCDC to ensure that probes and enquiries are made promptly into reports of complaints and malpractices.   |
| 157 | It is needless to emphasise that a Corporation of the size of the National Coal Development Corporation having to deal with contractors sales, etc. should have a proper vigilance system in the headquarters as well as in the fields. There should be a full time vigilance officer of sufficiently high status who will be dealing with the vigilance and other cases of complaints promptly. The officer should work in close touch with and under the direct control of the Managing Director and should have adequate staff to assist him in vigilance work. There should be corresponding Vigilance Officer at appropriate levels in the areas and various units of the Corporation. | In pursuance of the recommendations of the Committee, a whole time functional Director in charge of Administration has been appointed who will supervise the work relating to vigilance & disposal of complaints. The question of further strengthening the vigilance set up is under consideration by NCDC. In so far as the field is concerned, the NCDC has already part-time vigilance officers who will be assisted in special cases by the Chief Security Officer of senior rank. A close liaison with the Special Police Establishment at Ranchi is also maintained so as to deal with current complaints of serious nature. |
| 158 | There are certain sensitive areas in which decisions of the officers are liable to lead to complaints of malpractices and irregularities. These referred to placing of contracts, maintenance of muster-roll sales, purchase, etc. In these sensitive areas there should be periodical inspections by officers of technical departments of the areas and internal audit department. The reports made by these inspecting officers as well as those made by the internal audit should be available for study to the Vigilance Officer.   | Accepted. This is being done to a certain extent. It is proposed to take steps to arrange for more frequent inspections.  |
| 159 | Where an investigation establishes a prima facie case of corruption or malpractices, there should be no hesitation or delay on the part of the management to take departmental action so as to serve as an example to others.   | Accepted.   |

- 160 Where allegations against officers are found to be false or malicious suitable action should also be taken against the complainants so that honest Officers are not allowed to suffer harassment by such complaints. Accepted.
- 161 The concept that we have put forward in this respect is that of decentralised administration. Considerable powers administrative, financial and disciplinary have already been delegated to the area officers as well as to officer in charge of projects. It is important that these officers are encouraged to exercise these powers and in this regard they must be guided by the policy decisions or procedures laid down from the Headquarters. Accepted.
- 162 Decentralisation of functions must be accompanied by systems of control in the form of reports on progress of work, cost data, production data, labour management relations etc. The returns and reports when received be properly scrutinised at the Headquarters and points arising from them quickly brought to the notice of decision making authorities. Secondly, there should be regular system of inspection and field visits by senior officers from the Areas and the Headquarters. Accepted.
- 163 It would have been better if, like many other public sector undertakings there was also a provision for termination of service at three months' notice in respect of the officers of National Coal Development Corporation. This possibility may be explored. It should be possible to introduce such a clause at least for the new entrants. The possibility of including necessary provision as suggested by the Committee is being examined.
- 164 In regard to financial and accounts procedures, the recommendations made in the first report and in other chapters of this report are brought together below :—  
 (i) There is urgent need for bringing priced store accounts up-to-date.  
 (ii) The system of monthly reconciliation between the cost accounts and the financial accounts should be revived as early as possible. Until the store accounts have been placed on proper footing, it should be considered whether at least partial reconciliation could not be made and brought to the notice of the management each month.  
 (iii) Frequent reviews of the progress of expenditure on each project should be undertaken so that any excess over the sanctioned estimates are quickly noticed and considered by the sanctioning authorities. Excessive capital cost may well make a project unremunerative. Necessary action is being taken in regard to (i), (ii), (iii), & (v).  
 Regarding (iv) and (vi) it may be stated that a detailed critical analysis of the cost sheets is already being made every month and brought to the notice of the Dir. (Finance) and Chairman/Managing Director. The question of strengthening the Internal Audit Department was considered by the Board of Directors at their meeting held on 20-7-68, and further necessary action is being taken.

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|     | <p>(iv) There should be a review each month of the cost sheets submitted by the collieries. In particular, the comparative figures of performance in respect of costs, existence of any idle employment or manpower and such other matters should be promptly brought to the notice of the top management by a systematic study of the cost sheets.</p> <p>(v) There should be budgetary control on the production expenditure incurred in the areas and units. Detailed procedure should be evolved and brought into effect to ensure this control. Any cases of undue extravagance should quickly come to notice and these should be investigated and necessary action taken thereon.</p> <p>(vi) The Internal Audit Section should be strengthened and greater use made of it for the study of the various comparative units costs and such other matters.</p> |     |

N. D. GUPTA, Jt. Secy.

## पेट्रोलियम तथा रसायन और खान तथा धातु मंत्रालय

## (खान तथा धातु विभाग)

## संकल्प

नई दिल्ली, 29 जुलाई, 1969

**संख्या कोयला, 2-20(6)/68:**—भारत सरकार इस्पात, खान तथा धातु मंत्रालय (खान तथा धातु विभाग) ने अपने संकल्प संख्या कोयला 2-8(7)/67 दिनांक 22 जुलाई, 1967 के द्वारा श्री जी० आर० कामत की अध्यक्षता में राष्ट्रीय कोयला विकास निगम लिमिटेड, रांची के कार्यकरण का नि:तुन पुनरावलोकन करने तथा उन कमियों को, जो निगम के व्यापक तथा विस्तृत निष्पादन को प्रभावित कर सकती हैं, दूर करने के लिये उपचारी उपाय सुझाने के लिये एक समिति नियुक्त की थी। समिति को कमियों का पता लगाने तथा निर्धारण करने, उनके कारणों को निश्चित करने तथा निगम को भविष्य में अतिरिक्त कार्य-भार उठाने के सक्षम बनाने के लिये उसके कार्यक्रम को कार्यक्षम बनाने तथा संघटन को अनुकूल बनाने के लिये किये जाने वाले सुधारों की सूचित करने के लिये कहा गया था। खान तथा धातु विभाग के पत्र क्रमांक को 3-10(6)/68 दिनांक 18 मई, 1968 के द्वारा समिति को संसद की सरकारी उपक्रमों संबंधी समिति द्वारा लोक सभा को दी गई अपनी दसवीं रिपोर्ट में निर्देशित विषयों पर भी विचार करने की प्रार्थना की गई थी। समिति से यह विशेष रूप से आकांक्षा की गई थी कि सरकारी उपक्रमों संबंधी समिति द्वारा बताई गई कमियों को दूर करने के लिये उपचारी उपाय सुझाये।

2. समिति की पहली रिपोर्ट सरकार को 17 फरवरी, 1968 को और अन्तिम रिपोर्ट 19 अगस्त, 1968 को दी गई थी। पहली रिपोर्ट उन संघटनात्मक विषयों के संबंध में थी जिन पर समिति के विचार से तत्काल कार्यवाही की जानी अपेक्षित थी। समिति ने अपनी अन्तिम रिपोर्ट में राष्ट्रीय कोयला विकास निगम के कार्यक्रम के विभिन्न पहलुओं का विस्तृत अध्ययन किया है। समिति ने प्रायोजना आयोजन तथा कार्यान्वयन कायला खनन प्रायोजनाओं में पूंजी निवेश कार्यक्रम, उत्पादन, बिजली तथा परिवहन की वर्तमान समस्याओं कोकिंग कोयला प्रायोजनाओं, कोयला धोने के कारखानों, मयत्र तथा मशीनों के उचित रख-रखाव तथा प्रशासकीय संगठन की ओर उचित ध्यान देने की आवश्यकता आदि से संबंधित समस्याओं पर विस्तार से विचार किया है। समिति ने विनीय परिणामों तथा औद्योगिक सबधों का भी विस्तृत निर्धारण किया। इस के अतिरिक्त समिति ने अनाचारों तथा अनियमितताओं के संबंध में उसके ध्यान में लाई गई शिकायतों के कुछ विशेष मामलों पर भी विचार किया।

3. सरकार ने समिति पर अपनी पहली तथा अन्तिम रिपोर्ट में की गई सिफारिशों की ध्यानपूर्वक जांच की है तथा उन्हें कार्यान्वयन के लिये सामान्यतः स्वीकार कर लिया है। के समिति निष्कर्ष तथा सिफारिशों तथा उन पर सरकार के निर्णय अनुबन्ध में दिये गये हैं। अनाचारों तथा अनियमितताओं के उन विशेष मामलों के संबंध में, समिति ने जिन की जांच की, आवश्यक कार्यवाही की जा रही है।

भारत सरकार समिति के अध्यक्ष तथा उसके सदस्यों को उनकी निर्देशित विषयों के सम्बंध में किये गये कार्यों के प्रति अपना आभार प्रकट करती है।

**आदेश**

आदेश दिया जाता है कि इस संकल्प की एक प्रति सभी संबंधित को प्रेषित की जाय ।

यह भी आदेश दिया जाता है कि इस संकल्प को भारत के असाधारण राजपत्र में सर्वसाधारण की सूचना के लिये प्रकाशित किया जाये ।

नारायण दास गुप्त, संयुक्त सचिव ।